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DEBTORS TO SEND LETTER TO LONDON SUMMIT

WA051212 Rome IPS in English 31 May 84

[Text] Rio de Janeiro, May 31 (IPS) -- Four of Latin America's biggest debtor countries are planning to send a joint letter to next week's industrial country summit in London, a local daily reported today. Brazil, Argentina, Mexico, and Colombia are expected to reiterate their concerns about rising U.S. interest rates, a complaint they made in a joint declaration two weeks ago, according to the GAZETA MERCANTIL. In that statement, the four countries' presidents warned that Latin America's growing debt burden was threatening democracy on the continent.

The new letter, reportedly to be sent to the seven industrial nation heads of state who are holding their annual summit next week, is said to have been drafted already. But it will be finalized next week, after Brazilian President Joao Baptista Figueiredo's return from a state visit to China and Japan. The move is seen as a bid to influence the discussions in London, which are expected to deal broadly with the Third World debt crisis and its impact on the world economy.

In Brazil, the joint statements Figueiredo has signed have caused some friction in government circles, with officials from the Economy and Finance Ministries upset by what they see as growing Foreign Ministry influence in the foreign debt issue. The Foreign Ministry, which until recently had been left out of discussions on the debt, has long advocated dealing with the problem at a political level. In agreeing to sign the recent four-nation declaration, for example, Figueiredo consulted most closely with Foreign Minister Ramiro Saraiva Guerreiro.

This led to speculation that the president was considering approaches to the debt crisis that did not have the approval of the "technocrats" in his cabinet, such as planning Tsar Antonio Delfim Netto or Finance Minister Ernan Galveas. Galveas is thought to have opposed the joint statement, arguing that it would do more harm than good now that Brazil's economic adjustment program is showing results. Brasilia is now in a position to ask for easier repayment terms from its creditors, Galveas feels, and the public statement threatened to undermine the government's credibility.

BOLIVIA, PERU, BRAZIL TO RESTRICT USE OF DOLLAR

PY041525 Paris AFP in Spanish 1503 GMT 3 Jun 84

[Text] La Paz, 3 Jun (AFP) -- It was reported here today that Bolivia, Peru, and Brazil have decided to restrict the use of the dollar in the boarder area in their mutual trade transactions. The decision was adopted at the second macroregional border meeting held in Rio Branco, capital of Acre State, Brazil.

The Rio Branco Act was ratified on that occasion. This act foresees the construction of the Porto Velho-Rio Branco-Cobija-La Paz highway, with a side road to Puerto Maldonado (Peru). It also foresees action of the three countries to eradicate malaria and other transmittable diseases.

The decision to restrict the use of the dollar was adopted at a time when the governments of Lima, Brasilia, and La Paz, and other Latin American governments are obtaining considerable changes in conditions to pay their foreign debt.

EMBASSY IN MOSCOW RECEIVES IMMIGRATION REQUEST

PY042339 Buenos Aires LA NACION in Spanish 4 Jun 84 p 5

[Text] Diplomatic sources have given assurances to LA NACION that a delicate situation has been resolved between our country and the USSR in the wake of a request to our embassy in Moscow for asylum from Soviet citizens.

According to our sources, approximately in mid-May a couple whose surname is not known, although it is known that the head of the family is an architect, and their two children entered the Argentine Embassy and asked for our country's protection. The chief of the mission, Ambassador Ernesto de la Guardia, immediately reported the news to the Foreign Ministry and asked for instructions from Foreign Minister Dante Caputo. That first contact with the Foreign Ministry marked the beginning of a negotiation process that ended when the Soviet family agreed to leave the embassy building. It has been said that Soviet officials have reportedly given them assurances that they would not be harassed and that the Soviet Government would facilitate the steps they must take to leave the country.

Even though the problem was solved without consequences for Argentine-Soviet diplomatic relations, the solution might elicit some reactions on the internal political scene when more details are revealed, taking into account the treatment that Moscow gives to dissidents and to those who want to leave the USSR, and also taking into account the Argentine Government's position in regard to human rights.

Foreign Ministry Communique

PY042344 Buenos Aires TELAM in Spanish 2232 GMT 4 Jun 84

[Text] Buenos Aires, 4 Jun (TELAM) -- San Martin Palace today denied that a Soviet family had requested asylum at the Argentine Embassy in Moscow but it noted that a Soviet family had requested, through the Argentine diplomatic mission, the appropriate authorization to immigrate to Argentina. Following is the text of a communique released tonight by the Argentine Foreign Ministry:

The Soviet family of Yuriy Smirnov, his wife Galina Smirnova, and their two minor children have requested through our embassy in Moscow authorization to obtain permanent residence in Argentina. They have also requested the assistance of our diplomatic mission in obtaining the appropriate authorization from the Soviet authorities to immigrate to Argentina.

They have made this request to the Argentine Embassy after going to other Western embassies which did not agree to receive them. The Argentine Government has conveyed to the appropriate Soviet officials the Smirnovs' request for authorization to immigrate and has told the authorities about its decision to receive them in our country as permanent residents. The Smirnov family resides in the City of Perm, where it has been waiting since last May for a decision by the appropriate Soviet officials on their request to immigrate.

It is also stated that the Soviet Union, like many Western European countries, does not recognize the principle of diplomatic asylum, therefore, it would have been pointless to make such a request, which incidentally has not been made by the Smirnov family.

ALFONSIN RECEIVES MID DELEGATION LED BY FRONDIZI

PY041830 Buenos Aires Domestic Service in Spanish 1600 GMT 4 Jun 84

[Report from Government House]

[Excerpt] Members of the Integration and Development Movement [MID] have held talks here at Government House with President Raul Alfonsin.

The MID delegation was headed by former President Arturo Frondizi and by Rogelio Frigerio. We are going to talk now with Profesor (Antonio Saloni) who will explain the main subjects discussed with the president:

[Begin recording] The meeting we held today with President Alfonsín was very important, and not just formally cordial. It was important because all problems involving the crisis affecting the country were discussed with absolute sincerity, frankness and seriousness. The president of the Republic expressed his desire to listen to MID's opinion, and insisted on the need for national unity to face the problems of Argentina. Former President Frondizi, current MID president, received with satisfaction and pleasure the position expressed by President Alfonsín, and reiterated the MID's general willingness to support him with ideas, opinions, and concrete suggestions in all fields in response to the generous request made by the president of the Republic. [end recording]

CGT BUILDING TO REOPEN; MRS PERON TO ATTEND MEETING

PY021320 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0028 GMT 2 Jun 84

[Text] Buenos Aires, 1 Jun (NA) -- Tonight the General Labor Confederation [CGT] officially confirmed that at 1700 next Wednesday Isabel Peron will preside over a meeting of secretaries general and regional delegations that will take place at the CGT headquarters on 802 Azopardo street. Tomorrow this building will be reopened by the government for labor union meetings. This information was released through a communique that states that "Mrs Peron will appear in public as a symbol of the peace and definite unity we desire, as the only suitable means to achieve the national liberation that will allow our Argentina to once again occupy the place it deserves in the concert of nations."

"Precisely two representatives of the executive councils of associations of highly qualified professionals who are members of the CGT, and two representatives for each of the respective regional delegations" have been invited to the meeting. In the meantime, sources closely related to Hugo Barrionuevo, presidential delegate for labor union normalization affairs, at the CGT building that was occupied by the military government and has still not been handed over to the labor sector, stated that no official request to use the building has been received yet.

At the same time it was disclosed that the Maritime and Related Workers Union [Sindicato de Encargados y Apuntadores Maritimos -- SEAM] will hold an extraordinary assembly at the building on 802 Azopardo Street tomorrow. With this meeting the traditional CGT building will be virtually reopened for meetings of the labor sector. The sources disclosed that the SEAM has sought permission to use the building through request No 129.629/84.

CHRISTIAN DEMOCRATS REELECT CERRO AS LEADER

PY041730 Buenos Aires BUENOS AIRES HERALD in English 4 Jun 84 p 7

[Text] Mar del Plata (NA-DYN) -- After a heated Christian Democrat national convention which ended at 4 am yesterday morning, Francisco Cerro, the party's standard-bearer in the last elections, was re-elected leader by 68 votes to 57. As a result of the vote Carlos Auyero and five other leaders of the Humanism and Liberation Internal Line resigned from the National Council but announced they would remain within the party.

Auyero criticized the recent meetings of Christian Democrat representatives with the liaison committee of former President Maria Estela Martinez de Peron as well as the party's poor showing in the October polls. However Cerro explained the electoral disappointment in terms of a lack of funds. Cerro is supported by the Federal Line while the party's third faction, the National Line, dissolved itself during the convention in the interests of party unity. A fresh convention will meet in Rosario in a month's time, it was announced.

ATHLETES WILL NOT PARTICIPATE IN OLYMPIC GAMES

PY041539 Paris AFP in Spanish 1523 GMT 4 Jun 84

[Text] La Paz, 4 Jun (AFP) -- According to a communique which Julio Barragan, Bolivian secretary for sports and youth affairs, released in La Paz on 4 June, the Bolivian Government has decided against authorizing the participation of Bolivian athletes in the upcoming olympic games in Los Angeles for economic reasons.

According to the communique, the government has issued precise instructions in this regard. The communique added that in addition to financial difficulties, the local athletes are not qualified to participate in such a competition.

German Peters, chairman of the Bolivian Olympic Committee, said that the government has made a very dangerous decision and did not rule out the possibility that the cooperation of the world Olympic movement with Bolivia may be suspended.

COMMUNIST OFFICIAL ON ENDING STRIKES

LDO41449 Prague CTK in English 1328 GMT 4 Jun 84

[Text] Buenos Aires June 4 (CTK correspondent) -- An agreement between the Bolivian Government and the main trade union organization - the Bolivian Labor Federation (COB) has created conditions to settle the economic crisis and preserve democracy in the country, representative of the Bolivian Communist Party Carlos Soria has told CTK.

The COB has decided to halt the wage strikes and workers' protests and thus enable the government to better face the pressure by the International Monetary Fund and the home bourgeoisie.

The Bolivian Government and its agreement with the COB has been opposed by the Confederation of Private Entrepreneurs (CEP) which protested against the government measures in suspending payments to foreign banks and refused to increase wages as agreed. At the same time, there is a danger of a right-wing coup in the country. It is important that the government and trade unions have united in order to counter the plans and normalize the economic situation, Carlos Soria stressed.

CENTRAL BANK WORKERS RESUME NORMAL ACTIVITIES

PY041249 La Paz Radio ILLIMANI Network in Spanish 1100 GMT 4 Jun 84

[Text] The Bolivian Central Bank will resume normal activities today since Bolivian Labor Federation [COB] and government representatives have reached an agreement especially concerning the payment of the foreign debt.

This report has been released by the secretary general of the first union of Central Bank employees, who reported that the Central Bank will reopen its doors in compliance with an agreement reached by the COB after the general meeting of workers.

The union secretary general recalled that the Central Bank employees have been working part time as a protest against the economic measures adopted by the government especially concerning the foreign debt, measures which are rejected by COB members. [sentence indistinct]

FURTHER ON COCAINE TRAFFICKING IN CHAPARE

PY041355 La Paz Radio Illimani Network in Spanish 1100 GMT 4 Jun 84

[Text] The National Narcotics Board has estimated [words indistinct] kg of cocaine taken from the Chapare zone. The drug is transported by different means to the United States, Mexico, Canada, and some European countries. The cocaine is reportedly produced in the first stage in the central forest region of Bolivia, and later processed in Colombia, where it is turned into cocaine hydrochloride and transferred to the centers of consumption, according to reports revealed by the specialized office which is subordinate to the Bolivian Police.

Colonel (Felix Roca), departmental director of the narcotics division of Cochabamba, has revealed that [words indistinct] from one place to another in the country. There is absolutely no control by the Chapare authorities, and the marketing of cocaine is free, he told the press.

He said that drug traffickers who operate in the zone have a very well organized intelligence service and with sophisticated equipment prevent a direct battle against drug trafficking which is increasingly growing in this district.

The narcotics board discovered a shipment of 4 kg of cocaine in a basket. [words indistinct]

FIGUEIREDO TO MANAGE SUCCESSION PROCESS

PY041618 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 4 Jun 84

[Text] In Belo Horizonte Justice Minister Ibrahim Abi-Ackel has stated that no one will replace the president of the Republic in the management of the succession process. First, because this is akin to the presidential system, and second, because this is a Brazilian tradition, Abi-Ackel said. For Abi-Ackel the direct elections now scheme no longer has any chance of success and is dead and buried, thus leaving the opposition faced with the following dilemma: To compromise with the government's amendment which establishes direct elections for 1988, or to choose to maintain the present system, a system which perpetuates the indirect ballot system.

According to Abi-Ackel's analysis, the PDS structure and not the Electoral College will break down in the event the PDS members insist in breaking party unity.

PRESIDENT APPROVES ELECTORAL CODE AMENDMENT

PY050225 Brasilia Domestic Service in Portuguese 2200 GMT 4 Jun 84

[Text] President Figueiredo today approved a law amending the Electoral Code and establishing that the Superior Electoral Court [TSE] will be made up of eight judges. Two judges will be appointed by the president of the Republic based on a list of six attorneys prepared by the Federal Supreme Court [STF]. The remaining six judges will be appointed as follows: Three will be elected by secret vote among the STF justices, and the other three among federal appellate court judges.

The following citizens cannot be TSE members: those who are either blood relatives or are related among themselves by marriage up to the fourth degree, those holding a confidential public office, those who are directors or owners of enterprises enjoying exemptions, privileges, or favors granted under a contract by the public administration, or those who are invested with any kind of political mandate.

The law also establishes that regional electoral courts will be made up of two citizens appointed by the president of the Republic from a list of six candidates prepared by the STF; of one federal judge and, if more than one is to be appointed, he will be appointed by the Appellate Court; of two judges elected by secret vote among appellate court judges; and of two judges elected following the same procedures among lower court judges.

10,000 CALL FOR DIRECT ELECTIONS IN BRASILIA

PY020342 Paris AFP in Spanish 0054 GMT 2 Jun 84

[Excerpts] Brasilia, 1 Jun (AFP) -- For the first time the City of Brasilia made itself heard in the nationwide campaign in favor of the immediate reestablishment of direct elections for president of the nation.

Amid many red flags of the Brazilian Workers Party and the banned Brazilian Communist Party and huge signs of the MR-8 [8 October Revolutionary Movement] (an illegal leftwing organization), more than 10,000 persons gathered at the base of the giant TV tower which rises high above downtown Brasilia, demanding the reestablishment of direct elections for president of the nation and to tirelessly chant the slogan "direitas ja" ["direct elections now"].

Ulysses Guimaraes, president of the Brazilian Democratic Mobilization Party (PMDB), the main opposition party, urged all Brazilians to "take to the streets, the struggle is continuing."

MALUF, ANDREAZZA CANDIDACIES TERMED 'RISK'

PY041738 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 4 Jun 84

[Excerpt] Not only Paulo Maluf's but also Mario Andreazza's candidacies under an indirect ballot system were termed yesterday by [Sao Paulo] Governor Franco Montoro as a risk. However, I understand that we are already free from that risk, said Governor Montoro, thus ruling out any possibility that his name will be voiced as the opposition's single [presidential] candidate. [as heard]

Montoro said that [word indistinct] the seriousness of Sao Paulo's problems requires that he stay in Sao Paulo to assist the next president of the Republic.

SANTOS MAYOR ELECTED BY DIRECT BALLOT SYSTEM

PY041352 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 4 Jun 84

[Report by (Nene) Braga]

[Excerpts] Radio Bandeirantes now highlights an important event that took place over the weekend: the elections held in Santos [Sao Paulo State].

For the Primeira Hora program, here are the official results of the counting of votes for the elections held in Santos. The announced winner, Osvaldo Justo, [word indistinct] early this morning. Osvaldo Justo, a PMDB [Brazilian Democratic Movement Party] candidate received 78,403 votes.

In the direct elections held in Santos, the PMDB got 141,813 votes; the PT [Workers Party] got 47,339 votes; the PDT [Democratic Workers Party] got 9,308 votes; and the PDS [Social Democratic Party] got 6,619 votes.

Therefore, the new mayor-elect is Osvaldo Justo from the PMDB. Justo, a lawyer and an accountant, will be installed on 9 July. This is the year that Santos is recovering its political autonomy. A total of 78,403 voters have elected the new Santos mayor.

ITAMARATY SPOKESMAN ON L.A. FOREIGN DEBT

PY041843 Rio de Janeiro O GLOBO in Portuguese 2 Jun 84 p 15

[Text] Brasilia -- The 4-year moratorium decreed by Bolivia may have a bearing on the decisionmaking of the foreign ministers and the finance ministers of Brazil, Mexico, Argentina, and Colombia during the meeting that is to be held at a yet undetermined venue, Bernardo Pericas, Itamaraty spokesman, has said.

"The situation in Bolivia is proof of the picture described in the joint statement issued by the four presidents," Pericas said.

Pericas does not believe, however, that the Bolivian decision sets an example for the other Latin American countries. He recalled that the joint statement reasserts the intention of the four governments to meet all their commitments. Pericas said that the Brazilian proposal for the abovementioned meeting will be defined next week.

BOLIVIAN FOREIGN DEBT SUSPENSION DISCUSSED

PY021305 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Jun 84 p 3

[From "Notes and Information" page: "La Paz Does Not Open the Way for the Debtors Cartel"]

[Text] The Bolivian Government's decision to temporarily suspend the servicing of its foreign debt (principal and interest) and partially limit its servicing to 25 percent of the total value of its exports, to be able to pay equitable salaries, certainly brings satisfaction to those who propose the formation of a cartel of debtor countries and expect that the diplomatic note signed by four Latin American debtors will be followed up with joint action to force creditors to change their policy. For them, the La Paz government is blazing the path and setting an example. Although this thought may please those who hold Third World positions in Itamaraty, it surely is not in line with Brazil's interests.

The Bolivian Government's attitude no doubt reflects a real plight and conveys a message to the creditors that a solution must be found for a serious problem. It can be noted that, during the present fiscal year, the service of the debt is estimated at \$977 million while the value of exports is estimated not to surpass \$850 million. The gesture of the Bolivian Government will surely impress the public, but will not greatly affect the private banks which had already entered the operations with Bolivia in their profit-loss accounts.

The measure adopted by the La Paz government on the eve of the meeting of the seven wealthy, western countries will be taken into consideration when the problem of the developing countries' foreign debt comes up for discussion in London. Needless to say that the U.S. Government will be the main target of accusations at the London meeting, and that it will be easy for President Reagan to explain that, in the midst of an electoral campaign, his government along with other countries is not that interested in seeing an increase in the prime rate. However, all the industrialized countries will have to agree that, even supposing that the U.S. policy regarding budget deficits -- which is responsible for driving the interest rates upwards -- could be modified, the effects would take time to take hold.

Therefore, the climate at the meeting will be favorable to an understanding among the participants. An attempt should be made to establish a maximum interest rate on the foreign debt of countries which are willing to adjust their economy and to adhere to a line of austerity. Any excess over that maximum rate would automatically be added to the debt principal, and the Central Banks would assume a commitment to protect the lending private banks in case of difficulties. By the way, the episode of the Continental Illinois Bank proved that rules are not always respected when a country's banking system is at stake. The fundamental problem would be setting the maximum for the interest rates. Should this maximum be set higher than the current rates, this certainly would not contribute to taming the crisis; but should it be set lower, this will surely have a salutary effect. In addition, the U.S. Government could manage its monetary policy with more flexibility and, eventually, even raise its interest rates higher. Obviously, in this case, it would be necessary to institute measures to control the flow of capital, in order to keep capital from other countries out of the United States, or it would be necessary for other countries to, in order to keep capital in, raise their internal interest rates, although hindering a recovery that is just getting underway.

It should be noted that if that decision is adopted, it will be conditional upon the guarantees of serious management that a country can provide in order to avail itself of this rate facility. And this condition is worth stressing. But even admitting that the creditor countries do not want to go that route, it is possible to expect that solutions should be "tailor-made" for each country. In view of this, Brazil should not be interested in joining a debtors' cartel, the actions of which will be more harmful than beneficial.

The Argentina-Mexico-Colombia-Brazil joint note has a purely political objective, and it was released with the London meeting in mind. It is not intended to promote any action. It should be considered that each of the note's signatory countries has its own policy of indebtedness, for different purposes and investments. Brazil did not contract debts to prosecute a Malvinas war, or to fatten numbered accounts in Swiss banks. If the policy of indebtedness of each country was different, the treatment for getting out of debt should also be different.

With foreign reserves close to \$3 billion and with a serious economic readjustment program, Brazil today is in the position of obtaining advantages in the negotiation of its foreign debt, advantages that others do not deserve or seek in a different way. In the name of a pragmatism that is nothing but ideology, it should not be forgotten that the nation's economic problems cannot be treated in a way that is not in Brazil's interest.

Finance Minister Comments

PY022040 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Jun 84 p 21

[Finance Minister Ernane Galveas interviewed by O ESTADO DE SAO PAULO in Brasilia -- no date given]

[Excerpt] [Unidentified reporter] Bolivia has declared a 4-year moratorium. What consequences will this have for Brazil?

[Galveas] Bolivia had suspended payments a year ago, so the fact that it has now declared a moratorium only makes official a position that that country has maintained for a year. Therefore, as far as I can make out it has not had any great repercussion in the international banking sector. From the Brazilian point of view, it makes no difference. This by no means affects our relationship with Bolivia.

[Reporter] Do you think other countries might declare a moratorium?

[Galveas] I think that other countries have already done so; they have also suspended payments for a period of time.

[Reporter] The Continental Illinois crisis has caused a bit of unrest in the financial market during the past few days. Don't you think that the fact that Bolivia has declared a moratorium will contribute to creating greater unrest despite the fact that its debt is a small amount of money?

[Galveas] I don't think so. The Continental Illinois problem is a U.S. domestic problem that has already been solved. I believe that the Continental Illinois affair served to mobilize other banks and the U.S. authorities to show that they are capable of dealing with this sort of problem. Bolivia's case does not upset the system's behavior.

[Reporter] What do you expect from the meeting of debtor countries -- Brazil, Mexico, Argentina, and Colombia -- to be held on the 14th? Do you think that negotiations will enter a new phase then?

[Galveas] The purpose of the meeting is not to negotiate. What I hope is that during the meeting the four countries may reach an understanding. It is a meeting to discuss the issues mentioned in the note released by the four presidents.

There is nothing more to say than what is mentioned in the note. This note really states the concern over protectionist measures in the trade field, on the increase of interest rates because of its multiplying impact on the balance of payments, and also calls for the understanding of industrialized countries regarding the problem that affects the underdeveloped countries.

[Reporter] Minister, do you see any political will in the industrialized countries to solve the debtor countries' situation?

[Galveas] I do. I am not only aware of what is written on paper and published by the media. The governments of several industrialized countries have made moves in that direction, giving their support and showing their understanding.

[Reporter] Central Bank Director Madeira Serrano has said that if no solution to the problem is found it will be very difficult to solve the foreign debt problem every year. What changes are you expecting by the end of the year?

[Galveas] I have the same point of view on this subject as that of other analysts who have voiced their opinion through the media. The main problem is that interest rates are too high. This makes the negative repercussion on our balance of payments, our exports goods, and our foreign investments even heavier. This is what we are complaining about. We have voiced our concern over the negative effect of those interest rates that are obviously too high. We were not the only ones to complain, even the U.S. authorities have admitted it. We hope that measures will be taken in various fields so that interest rates may drop.

[Reporter] Do you believe it possible to be granted a 15-year period to pay back our foreign debt and thus do away with the spread [last word given in English]?

[Galveas] This is what we tried to obtain during our negotiations with government organizations as well as with private banks. We have both longer terms and lighter financial burdens. This has been the purpose of the negotiators who have represented Brazil during this process to reschedule the debt. We will continue to follow this same line. We have not stated terms nor specific conditions -- they will be the ones we are able to obtain. We are striving to obtain the maximum, possibly a 100-year term. This would be better than obtaining a 10-year term.

GALVEAS PLEDGES TO MEET FOREIGN DEBT OBLIGATIONS

PY011748 Sao Paulo Radio Bandeirantes in Portuguese 1555 GMT 1 Jun 84

[Text] Finance Minister Ernane Galveas has made it clear that Brazil will meet its foreign debt obligations and that it will pay the amounts established by the bankers.

Asked about the attitudes adopted by Bolivia, which turned its back on the IMF and decided to tackle its social problems and postpone the repayment of its foreign debt for the future, in order not to strain the living standards of Bolivians even further, the Minister hinted that the Brazilian Government will maintain its position. Galveas pointed out that each country is a particular case with its own solutions. Concerning the meeting to be held by the four debtor countries in Bogota, Galveas made it clear that it will be merely a talk among countries that have common problems, and not an attempt to create a front.

FINANCE MINISTER TO LEAVE FOR U.S. 8 JUNE

PY041815 Santiago Domestic Service in Spanish 1730 GMT 4 Jun 84

[Text] Finance Minister Luis Escobar Cerda has confirmed that he will leave for the United States on 8 June. The minister is going to New York where he will sign a loan agreement for \$780 million with international banks. He will then travel to Washington to meet with IMF and World Bank officials.

FOREIGN MINISTER COMMENTS ON POLICY ISSUES

PY041534 Santiago Domestic Service in Spanish 1100 GMT 4 Jun 84

[Excerpts] Foreign Minister Jaime del Valle has reported that Uruguayan Foreign Minister Carlos Maeso, accompanied by a delegation of four people, will arrive on 6 June at the invitation of the Chilean Government. He disclosed that bilateral matters will be discussed and that a joint communique will be signed at the conclusion of the meeting on 9 June.

On other issues, the foreign minister said in relation to the Peruvian military exercises being carried out near the Chilean border that these exercises are routine and that any country has the right to carry out military exercises within its territory. Regarding the announced meeting between Chilean and Bolivian representatives to discuss Bolivia's maritime situation, the minister said that the Bolivian Government decided to discuss this issue within its own government first and then make a decision on the meeting. He added that the next step will be a stage of negotiations to reach a rapprochement between the two nations. Regarding the Andean Pact, he said that Chile is open to the possibility of returning to that organization but that this issue first be jointly discussed with the economy minister.

Regarding the consultations made by the U.S. Embassy about the progress of the negotiations with Argentina over the southern border conflict, the minister said that this is a demonstration of the interest shown by Washington and that there is no reason to be annoyed by it. Concluding, the minister said that the negotiations being carried out by the Commission for the Defense of Chilean Copper in the United States are excellent and that the members of the commission are optimistic about the outcome talks. He added that U.S. President Ronald Reagan will have the last word regarding this issue and that Chile will not stop defending its interests.

ONOFRE JARPA ON CUBAN-TRAINED GUERRILLAS

PY011945 Santiago EL MERCURIO in Spanish 30 May 84 p C 2

[Excerpts] Upon being asked about the conversations between the Democratic Alliance of Concepcion and the local Communist Party which began last Monday, Interior Minister Sergio Onofre Jarpa yesterday said that there is the historic experience of 1970, "with the results we all know, " regarding political groups' attempts to talk with the Communist Party.

The minister, who was interviewed in the Palacio de la Moneda yesterday, and who was asked about the matter, said: "That is the same thing they did in 1970 when they reached an agreement with Allende. We all know the results." He then declined to answer questions about the position of the church regarding the same matter.

Answering reporters' questions about the possible existence of 200 Chileans who have reportedly returned to the country after military training in Cuba, according to reports from a news agency, Jarpa said: "I have said that I am not certain that 200 Chileans have come, but considering the terrorist and guerrilla schools that are working, and which we know about, and considering the time they have been working, and the number of persons that have gone to those courses, there is probably a great number of people prepared in Cuba who are engaged in terrorist activities."

Jarpa then answered a question about his relationship with the "Group of Eight," saying that "after the planned meeting is held, we will talk," adding that "at the moment there is a sense of joint work and unity with the aim of approaching full democracy."

Afterward, regarding the criminal lawsuit filed by a group of lawyers who oppose President Pinochet, the minister said: "It is a political maneuver to create problems for the president," adding that "it will not have the importance that they want to give it, nor will it have any effect." In reply to a question he said that "the chief of state could not be disqualified by these legal actions, because then it would be a matter of bringing him to court once a month to permanently have him out of office, and this cannot happen."

MINISTER SAYS MDP PROSCRIPTION REQUEST 'PROPER'

PY041520 Santiago Domestic Service in Spanish 1100 GMT 4 Jun 84

[Text] Alfonso Marquez de la Plata, minister secretary general of the government, has said that he thinks the request submitted by UDI [Independent Democratic Union] that the political parties which make up the Popular Democratic Movement [MDP] be declared unconstitutional is proper. He added that this request has the support of the general population. He reiterated that it has been clearly established that the antidemocratic movements cannot carry out normal political activity in Chile. Regarding the UDI proposal, he said:

[Begin Marquez de la Plata recording] It seems to me that the proposal submitted by this movement is very interesting, very important. It is important that we clarify certain aspects of the Constitution, which clearly establishes that antidemocratic movements cannot carry out normal political activity in Chile. This is why I believe the proposal is very interesting and I hope that a decision in this regard will be made soon. [end recording]

The minister went on to say that he believes that the UDI proposal represents an important sector of the population. Regarding a possible rejection of the UDI proposal, the minister said that he read such reports in the press. He said:

[Begin Marquez de la Plata recording] There are comments indicating that apparently people are the ones who should be questioned and not groups, but I believe that we should go to the bottom of the issue. I believe that perhaps the essence of the proposal should be presented differently. I believe it is important that this issue be clarified because this is one of the most important aspects of our Constitution. [end recording]

Concluding, the minister said that it is expected that the constitutional court will make a quick decision regarding the UDI request. Marquez de la Plata made these remarks at the closing of the book reading campaign organized by the National Youth Secretariat.

BETANCUR DISCUSSES LATIN AMERICA'S FOREIGN DEBT

PA041555 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 4 Jun 84

[Text] Bogota -- Colombia, Mexico, Argentina, and Brazil have sent a message to industrialized countries, expressing their points of view in relation to the region's foreign debt and its implications in the development of Latin American countries.

President Belisario Betancur made the announcement in Cartagena during inauguration of the 27th congress of the Confederation of Latin American Tourist Organizations. Betancur noted that most of the region's foreign exchange had to be used to pay onerous interest rates levied on its foreign debt.

President Betancur warned that the Latin American foreign debt has reached unimaginable levels, and since this has become one of the most controversial topics, it will be analyzed by the presidents of the main industrialized countries at a meeting to be held in London.

Betancur said that there is still time to prevent financial collapse in developing countries since, according to international leaders, the foreign debt problem can be solved if there is political willingness to do so, and if it is faced in a constructive spirit.

Referring to the Latin American foreign debt, estimated at \$350 billion, President Betancur stressed that there is still time to prevent a financial collapse in these countries, as well as a crisis in international banks.

Betancur confirmed that together with the presidents of Argentina, Raul Alfonsin, of Mexico, Miguel de la Madrid, and of Brazil, Joao Figueiredo, he had sent a message to the heads of state of industrialized countries that will participate in the London summit in which they will analyze the problem of Latin American's foreign debt.

However, the president did not reveal the text of the message, which is already in the hands of the organizers of the upcoming London summit.

LLOREDA ON U.S. HELP AGAINST DRUG TRAFFICKING

PA041757 Bogota Emisoras CAROCOL Network in Spanish 1215 GMT 4 Jun 84

[Text] Bogota -- Foreign Minister Rodrigo Lloreda Caicedo has said that the help Colombia has been receiving from the United States to fight drug trafficking is relatively small compared to the dimensions of the problem. However, he admitted, there have been cooperation programs with some Colombian government agencies which have helped in carrying out actions in the so-called war against organized crime.

HURTADO VIEWS REGIONAL DEBT PROBLEMS

PA041545 Quito Domestic Service in Spanish 0105 GMT 4 Jun 84

["The President and the Press": News conference by Ecuadoran President Osvaldo Hurtado at "Images and Sound" Television Production studios in Quito; with Jorge Maldonado, Editor of newspaper DIARIO MANABITA published in Puerto Viejo Bernardo, Morales editor of AGENCIA DE NOTICIAS DEL ECUADOR, ANE; Vicente Minero, Political editor of the newspaper OYE QUITO; and Luis Velario Proano, director of the International Center for Higher Studies on Journalism for Latin America, CIESPAL, and commentator of TELEAMAZONAS; individual questioners not identified -- live]

[Excerpts] [Question] The call made by four large debtor countries -- Colombia, Mexico, Argentina, and Brazil -- for a (?solution) to Latin America's economic problem raises two obvious questions: Didn't the Quito Conference, which was convoked by you, help refine the problem, because it was too general? Moreover, don't the initiatives put forth by the small countries have any influence in international negotiations, so that a new call has to be made by countries with a greater weight? Isn't it strange that no specific reference is made to what happened in Quito and that the country that took the lead in this initiative has not been taken into account?

[Hurtado] On the contrary, the latest position statement issued by the four countries you have alluded to confirms the validity of the Latin American Economic Conference and the importance of the Ecuadoran initiative. Ecuador was ahead of developments by more than a year. It looked far ahead, and it was because it knew what would happen that my government suggested -- or asked -- ECLA and SELA to work out a package of proposals to tackle the crisis. I think that, instead, we Ecuadoreans should feel proud that our country was the first to foresee this problem.

However, the effect of the Quito Conference depends not only on the Latin American and Caribbean countries but on what is done by industrialized countries, the international banks, and the organizations that furnish credit for cooperation. Unfortunately, the industrialized countries, the international banks, and the international cooperation organizations, or public banks, have not looked at Latin America's problems the way we have looked at them -- so much so that certain organizations of assistance for development continue to insist that we should apply positive interest rates in Latin America, for example. This is the case of the World Bank and, to some extent, the IDB. Private international banks raised the interest rates. I think that even disbelievers and optimists -- and by this I mean all those who thought that each country could fend by itself and that no cooperation was necessary -- have awakened and the initiative of Colombia, Brazil, Mexico, and Argentina falls within this context.

However, the Quito Conference represented the opinion of all Latin American and Caribbean countries. This is the opinion of four countries -- which is very respectable by the way, particularly because three of them represent, I think, two-thirds of the Latin American debt. However, it would be advisable to look into the more specific viewpoints they propose to confront the crisis.

From what I have been able to see, all the declaration of these four countries does is to quantify the views of the Quito Conference, which pointed to the need to reduce interest rates.

Upon my return from the PRC, I said at the airport that Ecuador supported this initiative, and I would add today that this initiative must be regarded as being included in the Latin American economic conference held in our capital; and it should have the nature of a continuation of what we decided here, not because of any specific interest on the part of my government or my country but because the decision that was adopted here involved the opinion of all countries in the region.

NONPAYMENT OF FOREIGN DEBT SERVICING DENIED

PA042244 Paris AFP in Spanish 2208 GMT 4 Jun 84

[Text] Quito, 4 Jun (AFP) -- The Ecuadoran Government has officially and categorically denied that it has suspended payment of the servicing of its foreign debt, as an international press agency -- which was not AFP -- had reported, according to the Central Bank this afternoon.

Alarmed by the news agency report, which indicated that Ecuador was following in the footsteps of Bolivia by not paying its foreign debt which amounts to approximately \$7 billion, the Central Bank of Ecuador denied the report, while Finance Minister Pedro Pinto called a press conference for the same purpose.

Ecuador, the Central Bank added, will continue to fulfill the servicing of its debt as it has been doing, in accordance with the terms agreed on with the banks and financing organizations abroad.

The Central Bank also said that efforts will be made with the Paris Club to refinance the debt of the government and suppliers, which amounts to approximately \$247 million, hoping that the refinancing terms will be established during the second semester of this year, as was done in 1983.

PETROPERU PRESIDENT SAYS OIL RESERVES RUNNING LOW

PY041743 Paris AFP in Spanish 1924 GMT 3 Jun 84

[Text] Lima, 3 Jun (AFP) -- Fernando Zuniga, president of the Peruvian State Petroleum Agency [PETROPERU], says that Peru will lose its self-sufficient oil supply and that Peru will again become an oil importer by the end of 1986, since Peru has proven reserves of only approximately 775 million barrels.

Zuniga said in a recent lecture that the statement that the Peruvian jungle (Amazonia) is a sea of oil, a new Saudi Arabia, is false, because Peru, after being the first Latin American country to develop this industry, is now in fifth place after Venezuela, Argentina, Brazil, and Ecuador in proven reserves.

The PETROPERU president said that Peru has only 2.2 percent of the total proven oil reserves in South America, and 0.1 percent of the world reserves which total 669,302,000,000 barrels.

After saying that current Peruvian daily production is 175,000 barrels, compared to the world production exceeding 55 million barrels, he added that Peruvian production is equal to 0.3 percent of the world's.

Zuniga remarked that if Peru wishes to develop its oil potential, it is necessary to offer a greater profit in order to attract investors in this area.

LIMA MAYOR HEADS MARCH, SLAMS GOVERNMENT

PY011608 Lima Domestic Service in Spanish 1100 GMT 1 Jun 84

[Text] Lima Mayor Alfonso Barrantes attacked the government during a rally held at the Plaza de la Inquisicion. According to some mayors and union leaders, municipalities made use of their vehicles to mobilize their employees for a political march sponsored by Barrantes. This situation became particularly evident and it affected even the Municipality of Lima, where employees failed to provide proper services to the public until 1100 because they were painting signs and banners.

The march ended with a political rally at the Plaza de la Inquisicion, where Mayor Barrantes attacked the government instead of reporting on his talks with the president of Congress.

ARMY COMMANDER SAYS MANEUVERS NOT A PROVOCATION

PY021350 Lima Cadena Panamericana Television in Spanish 0300 GMT 2 Jun 84

[Text] The Army commander, General Julian Julia Freire, has said that the maneuvers which are being held in the south of the country are not a provocation to anyone, just necessary training in order to be well prepared. The maneuvers are the biggest in many years, but the big powers and all other countries also hold such maneuvers, the Army commander added.

Julia Freire made this statement in Tacna while he observed the maneuvers which the Army is holding, using rockets, missiles, and other modern weapons, according to a DPA report.

REPORTAGE ON UNREST, POLITICAL SITUATION

3 June Incidents

PY041238 Madrid EFE in Spanish 2249 GMT 3 Jun 84

[By Alberto Pepe Leira]

[Text] Montevideo, 3 Jun (EFE) -- Dozens of persons were injured and many arrested today as the police broke up a government-banned demonstration by the opposition against the Uruguayan regime. Political and union sources have indicated that between 50 and 80 persons were injured, adding that a precise figure is not available because many beaten people went home to take care of their injuries.

An eyewitness to the incidents, which began on 18 July Avenue at noon today, drew attention to the "particularly violent attitude of the antiriot detachments, something quite unusual in Uruguay despite the fact that protests against the military regime started a year ago." Thousands of demonstrators answered the call of various political parties and social organizations to protest current restrictions on dissemination of information and on human rights and demanded an amnesty. The protest took place on the 155th anniversary of the approval of the first Uruguayan law which guaranteed the right to disseminate information and ideas by the press. This demonstration was an overt challenging of the government which on 1 June announced that any opposition demonstration would be repressed because "these actions were part of a campaign aimed at destabilizing the government."

After more than an hour of incidents which spread as far as the traditional Sunday Fair on Tristan Narvaja Street in front of the National University, the police managed to break up the demonstration. The people chanted slogans criticizing President Gregorio Alvarez and the government for repressing citizens of the opposition who were staging a peaceful demonstration. Downtown, neighbors were banging pots and pans on their balconies and shouted "murderers, murderers" in reference to police actions. The policemen did not use their firearms but freely brandished their truncheons hitting demonstrators in the head. The police acted with unusual vigor and also shook their fists at the bystanders who were watching the incidents. Neither police headquarters nor the Interior Ministry had precise official data on the number of injured and arrested.

Political sources did not disguise their concern over the incidents, barely 24 hours before a meeting of party leaders called by the Military High Command. The hardening of the government position appears to be in keeping with rumors, which have not been denied, that on 4 June the political parties will be given an ultimatum to answer the proposal of the military which must be approved before the elections slated for 25 November this year.

Interior Ministry Communique

PY050244 Montevideo Radio Carve in Spanish 0000 GMT 5 Jun 84

["Text" of Interior Ministry communique issued 4 June]

[Text] Whereas allegedly peaceful demonstrations have given rise to street violence, the people are hereby informed that as of today, such demonstrations will no longer be authorized. Therefore, the broadcasting or publication of calls or convocations for street mobilizations, rallies, or demonstrations scheduled on any grounds, are hereby prohibited, except for those that might be expressly authorized.

Interior Minister's Remarks

PY050200 Montevideo Radio Carve in Spanish 0000 GMT 5 Jun 84

[Text] Interior Minister General Julio Cesar Rapela has said that as time goes on, the political situation in our country becomes increasingly serious. He stressed that it is essential that the parties answer the proposal submitted by the Armed Forces more than a month ago. He reiterated that as soon as Wilson Ferreira Aldunate returns he will be arrested and that his followers will not have close contact with him. Asked about the destabilization plan, as reported by the government, Rapela said he does not blame it exclusively on the Blanco Party. In connection with the current political situation, the minister said:

[Begin Rapela recording] As you already know, the Armed Forces have submitted a proposal. We believe that this proposal must be studied and answered. That is why political parties were recognized, a political parties law passed, and internal party elections held. All this was done to allow party leaders to meet and discuss the solutions leading to the restoration of a democratic government. But, to the extent that this formula does not work, the situation becomes increasingly serious. [end recording]

Minister Rapela was asked whether he would blame exclusively the Blanco Party for the recently disclosed destabilization plan.

[Begin recording] [Rapela] Look, I will not level charges against the Blanco Party now. What I said is that the Blanco Party was planning a mobilization aimed at destabilizing [words indistinct]. But I will not say it is the exclusive responsibility of the Blanco Party. Both you and I can conclude, on the basis of the banners seen and the slogans chanted in the streets, who has planned all this. It is not necessary that I mention them.

[Unidentified reporter] General, it has been said that the Armed Forces are willing to discuss the draft that was submitted more than a month ago. Are the Armed Forces prepared to receive a categorical rejection of that draft from some of the parties?

[Rapela] Well, we are willing to hear counterproposals.

[Reporter] You mean the draft can be replaced?

[Rapela -- interrupting]...counterproposals, provided they are logical and reasonable, and provided they facilitate an accord that should benefit the country.

[Reporter] Are there nonnegotiable issues? We know that is a repetitive question.

[Rapela] Yes, it is repetitive. I do not believe that nonnegotiable is the right word. The fact of the matter is that there are some issues that are so important that, because of their importance, they cannot be changed. It isn't that they are nonnegotiable, they cannot be changed. [end recording]

On the return of Ferreira Aldunate, General Rapela said:

[Begin Rapela recording] Mr Ferreira will be arrested when he arrives in Uruguay. His followers will not have the chance of being in close contact with him. [end recording]

Asked whether it was too late for the Armed Forces and party leaders to reach agreement, Gen Rapela said:

[Begin Rapela recording] It is already late because we have wasted time. That is why we are now trying to get politicians to face up to the situation. [end recording]

Liber Seregni Meets Rapela

PY050247 Montevideo Radio Carve in Spanish 0000 GMT 5 Jun 84

[Excerpts] Liber Seregni has confirmed that the ban on some Broad Front factions will be lifted. Seregni, who was summoned by Interior Minister General Julio Cesar Rapela today, said that Gen Rapela voiced his concern over the interparty group's delay in answering the Armed Forces' proposal. After his meeting with the minister, Liber Seregni said:

[Begin recording] [Seregni] Speaking on behalf of the government, the minister voiced concern over the interparty group's failure to answer the Armed Forces' proposal.

[Unidentified reporter] General, is there any news on the possible lifting on the ban on factions that belonged to the Broad Front?

[Seregni] No, there has been hardly confirmation of a position, namely, that the ban on Broad Front factions or parties will be lifted once an agreement is reached with parties.

[Reporter] General, did Gen Rapela mention the mobilizations that are taking place in our country?

[Seregni] Yes, the second part of our meeting dealt with the government's concern over the situations of violence that are arising in our country as a result of such mobilizations.

[Reporter] General, what is the importance of this meeting with the interior minister from the viewpoint of the Broad Front, taking into account that it remains a banned coalition?

[Seregni] Well, this meeting involves the recognition of a reality. The minister has even pointed out that despite my situation from the legal viewpoint, the government has allowed me to act within the interparty group.

[Reporter] Did the interior minister mention any deadline for the interparty group to submit an answer to the Armed Forces' proposal?

[Seregni] No sir. He merely referred to the government's wish that an (?answer) be provided as soon as possible.

[Reporter] Did Gen Rapela tell you that if no answer is provided soon, the holding of elections might be put in jeopardy?

[Seregni] No, but he said that a negative climate could be created. [end recording]

Posadas, Sanguinetti Statements

PY050340 Montevideo Radio Carve in Spanish 0000 GMT 5 Jun 84

[Excerpts] After the meeting held at the Armed Forces Joint Staff Headquarters by Civic Union, Blanco, and Colorado Party representatives, the commanders in chief, and General Hugo Medina, the future Army commander, Blanco Party leader Juan Martin Posadas said:

[Begin recording] [Posadas] Well, the three commanders described the current situation as they see it. We took notice of the Armed Forces' concern over what they believe to be an excessively long delay in answering the document that they submitted a month ago. The party board will immediately consider it and will also debate it at the meeting to be held by the interparty group tomorrow. I believe that this situation has strengthened the parties from the viewpoint of their joint action, because the remarks by the commanders in chief have affected each of the three parties and, therefore, the interparty will have to analyze such remarks.

[Unidentified reporter] Did you notice any changes in the way this situation is being handled?

[Posadas] Look, I would say that there have been no major changes.

[Reporter] The parties have pointed out that it is necessary to create a proper atmosphere for the dialogue. Was this topic mentioned today?

[Posadas] Yes, and several opinions were also put forth from different viewpoints. All of us know that the Armed Forces, as they themselves have put it, regard the situation from a standpoint that is different from the party's standpoint. [end recording]

Colorado Party Secretary General Dr Julio Maria Sanguinetti said:

[Begin recording] [Sanguinetti] Different opinions are usually heard in these meetings. I believe that the fact that the military and politicians have different opinions on the situation is nothing new. However, the important thing is that there are some coincidences despite our many disagreements. In fact, the Armed Forces have reiterated their willingness to have the elections held on 25 November. This is a topic we have agreed upon.

[Unidentified reporter] Could we say that the spirit of this meeting was to narrow differences in order to resume the dialogue sooner?

[Sanguinetti] Look, I don't like to talk about spirits, which are rather subjective, but about facts. The fact of the matter is that the Armed Forces have voiced their concern over our delay in answering their proposal and over the disruption of order arising from mobilizations. We pointed out that order has been disrupted in several ways, not only by the people's mobilizations, which are deplorable. We do not want them. But there have been other disruptions of order in our country. Such disruptions were caused by the Armed Forces. We deplore all disruptions and we hope we will overcome them all. We also pointed out that parties have a very clear purpose: to continue searching for a peaceful way out of this. [end recording]

PASTORA MAKES STATEMENTS ON BOMBING, ARDE

PA050411 Madrid EFE in Spanish 0101 GMT 5 Jun 84

[Text] Madrid, 4 Jun (EFE) -- Eden Pastora today declared that the humanitarian interest shown him by former Venezuelan President Carlos Andres Perez presupposes the "moral support" of the Socialist International.

In statements from Caracas to the Ondas Populares Espanolas network (COPE), the military leader of the anti-Sandinist Democratic Revolutionary Alliance (ARDE) said that "nobody can deny that support is Christian and democratic in these conditions."

Pastora was admitted to the Metropolitan Clinic of the Venezuelan capital, where he is recovering from the wounds sustained in an attack which almost cost him his life on 30 May.

After commenting on the various wounds and burns suffered on his left leg, right arm, and abdomen, Commander Cero explained the attack that killed 10 persons, most of them journalists who were in the front row of the press conference.

Regarding the ones who staged the attack, Pastora said that they could have been of the extreme right or of the extreme left "because we are in the center."

Commander Cero added: "I cannot say if it was the work of the 'CIA' (U.S. Central Intelligence Agency) or of the 'ETA' (Basque Fatherland and Liberty Organization) because the investigation of the case has not been completed."

Regarding his alleged separation from ARDE, the anti-Sandinist leader said that he will remain bound to that movement that opposes the Managua government and which consists of six organizations, four of which are akin to his ideological and political leaning.

He said that in any event his death would not have meant the disappearance of ARDE or of his political ideals, adding that they did not contemplate reaching an agreement with the Somoquist guards operating in northern Nicaragua.

Regarding the use of Costa Rican territory as a base of operations of his forces, Pastora indicated that the country "has always been open to all revolutionary movements of the world. Politically we are in Costa Rica, but militarily we are totally inside Nicaragua."

BRIEFS

NEW AMBASSADOR TO NICARAGUA -- It was learned in top government circles yesterday that Faustino Pulgar Gruber will be appointed ambassador to Nicaragua. He will replace Jose Rafael Zapata Luigi. Pulgar Gruber is the director of policy at the Foreign Ministry. [Summary] [Caracas EL NACIONAL in Spanish 15 May 84 p D4 PA]

FINANCE SECRETARIAT ISSUES STUDY OF FOREIGN DEBT

PA041605 Mexico City UNOMASUNO in Spanish 30 May 84 pp 1, 8

[By Luis Acevedo Pesquera]

[Text] The Finance and Public Credit Secretariat (SHCP) said yesterday that suspension of payments on their foreign debt by the main developing countries, which includes Mexico, would result in substantial losses to some creditor banks but would not spell collapse for the international financial system. It warned that the work of getting resources from abroad to underpin the country's development in the next few years will be done in an unfavorable context which will, in turn, influence actions connected with the refinancing of the public debt expiring during 1985-88. Loans contracted by the Federal Government up to the first quarter of this year total \$63,203,200,000, an increase of \$647 million in absolute terms over the amount reflected on 31 December 1983.

The SHCP said that debt problems at a world level "are manageable" but that recent difficulties, such as the increase in interest rates and protectionism, indicate that international cooperation is indispensable to maintain a sustained recovery of world trade and if the developing countries are to have the necessary conditions to meet their obligations. It notes that most developing countries facing debt problems will have the ability to pay their international obligations only "if new loans continue to be granted by the international financial system as a whole."

In a document drafted by the General Directorate for Treasury Planning [Direccion General de Planeacion Hacendaria], this federal executive branch office says that only one-third of the debt contracted with private sources is guaranteed by the governments of the creditor countries and that, for this reason, commercial banks are increasingly worried over whether the liquidity of the debtors will be enough to meet payments on all of their loans.

The majority of the countries facing external problems, it explains, are producers of raw materials which depend, above all, on government financial sources and which have been very affected by reduction in prices for their products. In addition, this group also includes some of the nations with the largest debts in the developing world, such as Mexico and Brazil, which basically depend on private financial sources. These are countries whose basic problem has been one of liquidity and not insolvency.

The SHCP explains that the recent efforts to approach the problem of the debt, in which Mexico, Brazil, and Argentina played a prominent role, stem from the conviction that only through international cooperation can payment problems be solved. The actions taken in this regard, it states, represent the first stage of a process "that will last many years, especially if high interest rates and growing protectionism are maintained."

It warns that "it isn't likely that there will be a collapse in the world financial system," because the debt of developing countries only amounts to 6 percent of international banks' assets. However, some banking institutions might suffer large losses if developing nations decide to suspend payments or declare a moratorium.

It also stresses encouraging signs that international banks are becoming increasingly aware of the problem of high differentials [altos diferenciales], as well as the granting of new loans to guarantee the ability to pay of those countries with problems, and for this reason it is expected that these costs will decrease in the near future.

However, the SHCP adds that "although it would be advisable and necessary," it would not be sufficient to solve the problem of the foreign debt of underdeveloped countries definitely, because what is important is for banks to drop basic interest rates.

LEFT CALLS STRIKE TO PROTEST AUSTERITY POLICY

PA041710 Madrid EFE in Spanish 0828 GMT 4 Jun 84

[By Antonio Ortega]

[Excerpt] Mexico City, 4 Jun (EFE) -- Over 100 Mexican leftist organizations have called a "second national civil strike" for tomorrow to demonstrate against the austerity policy implemented by the government. Headed by the Unified Socialist Party of Mexico, the Mexican Workers Party, the Revolutionary Workers Party, and the National Workers, Peasants, and Popular Assembly [Asamblea Nacional Obrera, Campesina y Popular], the left plans to protest during the strike over "the injustice and the difficult economic situation."

During the first strike, staged in October 1983, the political organizations did not obtain the people's support, but did manage to mobilize certain groups of leftist workers and students, who clashed with police in Mexico City and the port of Acapulco.

The call to a "civic strike" is not endorsed by the country's big labor federations like the Confederation of Mexican Workers and the Labor Congress, which together have over 7 million members. These groups are currently negotiating an emergency minimal wage increase, which traditionally benefits all Mexican workers, but they have at all times rejected the call to strike.

BODY FOUND OF THIRD JOURNALIST REPORTEDLY MURDERED

PA042019 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 4 Jun 84

[Text] The Mexican media today reported the murder of a journalist in Mexico's interior, increasing the number of journalists massacred in Mexico this week to three. According to reports, the body of Jorge Hernandez Garduno, a reporter for the newspaper EL MERCURIO of Netzahualcoyotl, near the Mexican capital, was found on the Mexico City--Queretaro road.

BRIEFS

ATMOSPHERIC CONTAMINATION STUDY -- According to a study on atmospheric contamination conducted by the Mexican Petroleum Institute (IMP) in the Mexico Valley, during 1983 Mexico City was surrounded by 4,073 tons of carbon monoxide, 530 tons of sulfur dioxide, and 343 tons of nitrogen oxide. IMP engineer Jose Manuel Olivares said that these are alarming figures which are basically the result of the use of approximately 2 million cars that run on gasoline. Many of these cars are in deplorable mechanical condition, which worsens the problem. [Excerpt] [Mexico City UNOMASUNO in Spanish 8 May 84 p 23 PA]

RADIO STATION RENAMED -- Mexico City, 24 May (NOTIMEX) -- Mexico's general directorate of Radio, Television, and Cinematography (RTC) has reported that the Mexican Radio Institute's XEB station -- which had been identified for several years as Mexico's Great "B" [La B Grande de Mexico] -- will change its name to Radio Mexico. The RTC also reported that the Mexican Radio Institute's short-wave stations will be known as Radio Mexico-International. [Excerpts] [Mexico City NOTIMEX in Spanish 1722 GMT 24 May 84 FL]

REACTION TO POSTPONEMENT OF MUNICIPAL ELECTIONS

Magistrate Claims Sabotage

PA041715 Panama City CRITICA in Spanish 4 Jun 84 pp 1, 19

[By Franklin Castrellon]

[Excerpt] Magistrate Rolando Murgas, the Electoral Tribunal vice president, yesterday deplored the forced 1-week postponement of municipal elections that had been set for yesterday. Personally, he believes that this could actually be part of sabotage "within and outside" the tribunal itself.

More specifically, Murgas attributed the postponement of elections for mayors and corregimiento representatives to the irresponsibility of the Electoral Organization Directorate's top leadership under Felix Gomez and to the failure of the Formularios Continuos Print Shop, which is represented by Angel Jaen, to meet the dateline in printing the voting ballots.

Magistrate Murgas, in an indignant tone said: "I believe that this is the result of internal or external sabotage, or a combination of the two, aimed at tarnishing the elections."

Murgas said that the Electoral Tribunal will meet urgently today to analyze the situation and to make various important decisions.

"I personally believe that drastic measures must be taken at the internal level," Murgas said, obviously commenting on the responsibility of the Electoral Organization Directorate. He added: "We must also bring suit against the print shop for breach of contract with the tribunal."

Murgas said that both of them deceived the country's top electoral organization deliberately all the way, until the last minute, making its magistrates believe that despite several obstacles, everything had been proceeding as planned.

PRD Protests

PA041720 Panama City CRITICA in Spanish 4 Jun 84 pp 28, 19

[Democratic Revolutionary Party communique; date, place not given]

[Text] The Democratic Revolutionary Party (PRD) strongly protests the Electoral Board's lack of foresight, which has resulted in the postponement of the municipal elections scheduled for 3 June. It also condemns the irresponsible attitude of the printing shops in charge of printing the ballots.

The PRD also questions the argument included in the decree suspending the elections, that several parties have claimed that their credential cards were destroyed. The PRD demands an explanation as to where and why these credentials were presented to these parties but denied to our party.

We also demand an explanation as to why the delay in printing had to affect the PRD ballots.

The public should be told that the party most affected by this intolerable situation has been the PRD. Since it is the largest and best organized party in the country, the PRD has suffered the most by the unexpected postponement of the elections.

The Electoral Tribunal announced the irresponsible and tardy measure when thousands of PRD leaders were being mobilized throughout the country and it was impossible to stop the huge human resources that had been put in motion.

The tribunal should at least have foreseen the consequences of its ineptness and should have informed the public sooner. We cannot but infer that this step has been aimed at harming the PRD, which is this country's majority party.

We call on our party's rank and file to rally around the PRD candidates. We call on all Torrijists to express with all their energy the determination to continue our struggle to victory, and to defend that victory at any date. We call on all PRD militants to reject this maneuver by voting massively on 10 June.

PRD National Executive Committee

UNADE Protests

PA041717 Panama City CRITICA in Spanish 4 Jun 84 p 2

[Article by Euclides M. Corro R.]

[Text] A top representative of the parties which make up the National Democratic Union (UNADE) yesterday vigorously protested the postponement of the elections to choose municipal governments and said that those directly responsible for this anomaly were members of the Democratic Opposition Alliance (ADO) who distracted the attention of Electoral Tribunal magistrates with the large number of complaints they filed.

The UNADE spokesman told CRITICA that the parties which make up its political group were hurt the most because they had already completed their working platforms to obtain the vote of most citizens for their candidates, at the mayoral as well as the corregimiento representative levels.

In addition to rejecting this postponement, which prevented the holding of municipal elections in the country yesterday, our informant noted that, unfortunately, those most guilty for this are the intermediate-level officials of the Electoral Tribunal, who did not respond to the trust the magistrates had placed on them.

He also demanded, on behalf of UNADE, severe punishment for the printers, who did not fulfill their commitment to have the ballots ready on time.

He rejected the charge that Magistrates Cesar Quintero (president), Rolando Murgas (vice president), and Yolanda de Rodriguez (member) were incompetent, but did not exempt them from the responsibility they shared.

In regard to this, he explained that the only excuse the top leaders of the Electoral Tribunal had was that they did not have enough time to take it upon themselves to oversee the work of the printers because of constant external pressures exerted by opposition members, who filed many complaints to prevent the tribunal from complying with the will of most Panamanians.

He concluded by noting that "although we are very upset over the postponement of the municipal elections, this very fact is a guarantee that on Sunday we will elect mayors and representatives in a climate of peace and great electoral organization."

COSTA RICA

MONGE ON U.S. POLICY, NEUTRALITY, MEDIATION

PMO41221 Rome LA REPUBBLICA in Italian 3-4 Jun 84 p 7

[President Luis Alberto Monge interviewed by Aldo Sofia in Zurich -- date not given]

[Text] Zurich -- "They could not give me better news." That was the first comment made by Costa Rican President Luis Alberto Monge on Shultz' unexpected visit to Managua. Monge, who is head of the only state in the world without an army, and a protagonist in a patient mediation aimed at providing a political solution to El Salvador's tragedy, is visiting Europe: He is visiting a good 12 countries, including Italy in the middle of the month. In the interview with LA REPUBBLICA, he said he was satisfied with the unexpected move by U.S. diplomacy. "Shultz has finally decided to meet with the Sandinist leaders. Moreover, Costa Rica, a neutral country without arms, has made every effort to promote that dialogue. I can tell you that, until 1 week ago, before leaving my country, I was very pessimistic about the development of the Central American conflict. Not that I am now certain of a move in a positive direction. But if the secretary of state has decided to take this step, it may mean that things are moving. Is it merely a preelection maneuver by the Reagan administration? I do not think so. I had been asking the United States to resume dialogue with the Sandinists for months. I urged this. And I think that Costa Rica can take some of the credit for this development. We can now just hope that it is not still just a dialogue of the deaf."

[Sofia] But in the past you have also said harsh and critical words about the Reagan administration's policy in Central America.

[Monge] That is true. U.S. policy in the past few years has been negative, not to say disastrous. Often using the pretext of combating communist subversion, Washington has blindly supported the region's military dictatorships. That policy was bound to fail. It created great resentment against the United States. There is obvious rejection of this policy among the Central American peoples. Can we now say that Reagan is really changing his tactics? Can we say that he has realized the mistakes he has made? It would not be too pessimistic. I think that the State Department is bound to realize that it is impossible to continue with the choices of the past. Of course, a possible change could prove too late, because the old U.S. policy has caused too much damage, and in the final analysis has strengthened and aggravated the attitude of the Central American left-wing parties. I do definitely think that Reagan's America may be changing its policy, but I am afraid that it may now be too late. If that is the case, we would be facing another real tragedy and democracy would not succeed in winning over the countries in the region for a long time.

[Sofia] But, is it true, as THE NEW YORK TIMES wrote, for instance, that Washington tried to exert pressure on Costa Rica to make it align with its anti-Sandinist stance and its open struggle against the El Salvador guerrillas?

[Monge] No, I can strongly deny this, and my reasons for visiting Europe include not only the need to make people realize that my country needs Western economic aid, but also the desire to clarify things. I can assure you that the United States has never asked us to abandon our neutrality and to accept involvement in the conflicts that are tearing Central America apart.

[Sofia] Is this ultimately why you decided to expel Eden Pastora from Costa Rica?

[Monge] We decided to expel him because Costa Rica intends to show that it is completely outside the conflict and is prepared to mediate.

[Sofia] You speak of mediation. And it is well known that you have been trying for some time to bring new Salvadoran President Duarte and the Farabundo Marti leaders to the negotiating table.

[Monge] Yes, this mediation is yielding its first fruits. We say that there is finally a glimmer of hope. Before coming to Europe, I spoke with Jose Napoleon Duarte. He repeated his desire to begin negotiations with the left. He is well aware of the dangers he faces. He knows that part of the Army and the extreme right in El Salvador will try to hinder him. But he also knows there is no alternative. We must all help him. And Costa Rica is naturally prepared to host an initial meeting between Duarte and the "Front" members, who contacted me in the past few days and assured me they are prepared for a dialogue with the new Christian Democrat president. But, above all, the United States must protect Duarte.

CODELIDE FEARS NEUTRALITY POLICY 'DISSOLVING'

FLO41500 Mexico City NOTIMEX in Spanish 1945 GMT 2 Jun 84

[Text] Mexico City, 2 Jun (NOTIMEX) -- Luis Alberto Monge's policy of neutrality has not worked because of differences among officials in his own government, some of whom favor detente with Nicaragua while others support the counterrevolution headed by Eden Pastora. This statement was made at a press conference by the coordinator of the organization Costa Rican Defense of Democratic Liberties (CODELIDE), which has its headquarters in Mexico. She said that if the Civil Guard takes action against Pastora, 3,500 Rural Guards will support the former Commander Cero in his attempt to destabilize the Sandinist people's revolution. The coordinator stated that the Costa Rican Government has been pressured by some of the Central American governments to align itself more closely with U.S. President Ronald Reagan's policy in Central America and, although Monge may deny it, he has asked the U.S. Government for \$7,600,000 in military aid in addition to the \$2,500,000 he has already received. CODELIDE reaffirmed that the neutrality proclamation appears to be dissolving in the midst of serious acts that the Costa Rican Government denies, while supporting the U.S. policy of militarizing Central America. The United States, she said, is exerting great pressure on Costa Rica to break relations with Nicaragua, facilitate counterrevolutionary activities on Costa Rican territory, and allow the entrance of Marines disguised as civilian construction workers. She added that the National Liberation Party to which President Monge belongs has stated that the recent actions of the Costa Rican Security Council are related to the importation of military equipment, which confirms the preparations for war.

U.S. JOURNALIST PREVENTED FROM DEPARTING

PA041645 San Jose Radio Reloj in Spanish 1200 GMT 4 Jun 84

[Text] Yesterday afternoon, the National Security Council prevented U.S. journalist Tony Abraham from leaving the country as a result of the decision issued by the San Carlos investigative judge. Abraham works for ABC and is one of the victims of Wednesday's terrorist attack against Commander Eden Pastora in southern Nicaragua. Unaware of the judicial decision, the Costa Rican Red Cross had taken the journalist to Juan Santamaria Airport, but on orders of Public Security Minister Angel Edmundo Solano Calderon, the National Security Council ordered that the journalist be taken back to the Biblical Clinic.

The newsman was to have been flown out of the country aboard a private airplane. A U.S.-registered airplane was waiting at Juan Santamaria Airport. His brother and a nurse had arrived from the United States to take care of Abraham on the flight, since he has burns all over his body. He was released from the Biblical Clinic yesterday afternoon, but he had to return there until the government concludes the investigation of the attack. Everything seems to indicate that the homemade bomb was carried inside a metal case of the type used for television equipment.

MERCENARIES SAID PLANNING ANTILLEAN INVASION

PA041523 San Jose Radio Reloj in Spanish 1200 GMT 4 Jun 84

[Text] A group of Costa Rican mercenaries is preparing to invade a country in the Antilles. A group of about 50 Costa Ricans, including privates and officers under the command of Commander Popeye, is preparing to shortly leave the country for a country in the Antilles where there will soon be an invasion. Commander Popeye, a Costa Rican who participated in the Vietnam war and has fought in Nicaragua, Cambodia, El Salvador, and other countries, said in an interview with a Radio Reloj reporter that there is no reason why he should hide the fact that he and his comrades are members of a mercenary group. He added that everything is practically ready for travel to the Antillean country, where they will join an international force in charge of the invasion and subsequent occupation. According to the leader of the 50 Costa Rican mercenaries who will participate in the forthcoming invasion of an Antillean country, the decision was made in view of the imminent danger that that nation will completely fall into communist hands. The operation to be carried out by the international force, in which Costa Rica will be present, will be very similar to the one staged by the United States last year when it invaded and occupied Grenada. Commander Popeye stressed that this is a private action in which the Costa Rican Government is not involved. However, he admitted that his group includes some men whom he trained in the OPEN [Organization for National Emergencies].

EL SALVADOR

DUARTE DISCUSSES DIALOGUE IN PRESS CONFERENCE

PA040311 San Salvador Radio Cadena YSKL in Spanish 0025 GMT 4 Jun 84

["Meet the Press" program with excerpt of President Jose Napoleon Duarte's press conference with local and foreign correspondents on 3 June in the Honor Room of the Presidential Palace -- recorded]

[Excerpts] [Duarte] Dear friends of the local and foreign press: After assuming office I wanted to hold this meeting with all the members of the local and foreign press to let you know that I firmly believe in the media as a fundamental instrument for the freedom of a people, and in this sense and dimension we will have a government that will always respect the media.

[Moderator] Mr President, journalist Rene Contreras would like to ask a question.

[Contreras] [Words indistinct] the archbishop of San Salvador spoke of the new government. Among other things (?he said that one of your government's objectives) could be to abolish the state of siege that [word indistinct] constitutional guarantees of the people and define the situation of the mission persons and that of the political prisoners. A second question regarding the Salvadoran Embassy in Jerusalem [words indistinct].

[Duarte] I believe that the problem of the search for peace using the instruments of understanding is very important. This is why I believe that it is up to the national Legislative Assembly to decide, following the necessary technical report, on the matter of the state of siege. I am going to respect and govern with the Constitution in hand, and I will respect the mechanisms that our nation has established in the Constitution. I will ask for the technical reports and present these to the Legislative Assembly so that it may be the one to decide on the situation of the state of siege. We will also respect the law in every case, and in the case of those prisoners who have been sentenced to jail for common crimes or for political reasons, I will review the cases with the corresponding authorities -- in this case the minister of justice and, of course, the Supreme Court of Justice -- [5-second break in transmission] and if any of them merit the use of the right the Constitution grants the president I will use it.

Regarding Jerusalem, that is a problem that concerns the Foreign Ministry. I still do not know why this decision was adopted. I hope to receive the official report from the foreign minister -- he is here with me today and will give me the report -- however, it is quite logical to think that at this moment he is not completely aware of the details but will give us a report regarding the situation, what has happened, and then, like all responsible governments, we will adopt the best decision in accordance with the best interests of the people. It is my duty and my task, and we will act in this respect.

[Moderator] Mr President, journalist Mario Rosenthal wishes to ask a question.

[Rosenthal] Mr President, during your inaugural address you said that many people were asking themselves why the subversion had not been defeated. You said that the problem was that many people were acting as mere spectators of the struggle. Could you expand some on the role that the people should play to achieve peace and victory over the guerrillas?

[Duarte] I believe that the problem is one of participation by the people. We have already gone from an attitude of skepticism that existed in the past to a process of demonstration when the people, through the electoral process, said no to violence. I wanted to say that the people have shown themselves in favor of democracy and in so doing it is up to all of us to continue opening the channels for participation so that the people will work jointly with their government and Armed Forces, which is one of the instruments of security that a people and a democracy must have, so that together we may give the country this national security. This will make the subversive sectors stop and think.

[Moderator] Mr President, journalist [name indistinct] wishes to ask a question.

[Question] [Words indistinct] offer made by the guerrillas to start a dialogue in El Salvador in July.

[Duarte] I have no information regarding this. I have no specific knowledge of this, and this is why my message on the day I was sworn in was very clear. I will not lend myself to being an instrument of those who do not want peace. I am willing to search for peace, wherever it may be. This means, and I said it in my message, that the political sectors of subversion have no control over the military sectors of subversion. The FDR, Guillermo Ungo, and the others cannot remove a guerrilla commander. They do not have the authority to do that. They are mere instruments of the guerrilla commanders. That is the challenge we are facing, because the Salvadoran Armed Forces, in faithfully fulfilling their mission, gave the people the power to choose the president of El Salvador. But the political sectors of the left have not been able to control the sectors of armed subversion. Therefore, their words and messages cannot be interpreted as sincere words and messages but as tactical instruments.

Therefore, they have to demonstrate, before the world and before you, that they can truly remove Villalobos [Joaquin Villalobos, FMLN commander], that they truly control the commanders in all the guerrilla sectors. One of the problems we are facing is that there are guerrilla commanders who do not want a dialogue or peace. You have heard some of those commanders. Therefore, so long as the subversive political sectors do not have the capacity to control the subversive armed sectors, they will not have the morale authority to enter a real dialogue in the search for peace.

This is the message; this is what they have to show the Salvadoran people; this is what the Salvadoran people are waiting for and we, within the government, are also waiting for this, because the people want and are searching for peace -- a stable peace and not a tactical instrument to seek the people's support. This is the message.

Venceremos Criticizes Remarks

PA050106 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 5 Jun 84

[Text] Jose Napoleon Duarte allowed the demagogic nature of the [word indistinct] social pact and dialogue to show through during a news conference on Sunday, when he described the dialogue proposed by the FMLN-FDR as tactical. Just 24 hours after his inauguration, Duarte began mentioning alleged obstacles to the fulfillment of his demagogic promises of peace and justice. Official spokesmen for the Christian Democratic Party have said that Duarte's regime will be ready for the dialogue with the FMLN-FDR only in 6 months or 1 year. Duarte refused to lift the repressive state of siege under which the country has lived for over 4 years.

GUERRILLAS KIDNAP DEFENSE MINISTER'S BROTHER

PA042237 Buenos Aires LATIN in Spanish 2220 GMT 4 Jun 84

[Text] San Salvador, 4 Jun (LATIN-REUTER) -- Armed men who identified themselves as left-wing guerrillas today kidnapped the brother of Salvadoran Defense Minister General Eugenio Vides Casanova, diplomatic sources have reported. The sources, who chose to remain anonymous, said that three armed men kidnapped Dr Eduardo Vides Casanova, a pediatrician, at his clinic in San Salvador this morning. However, military and government officials have declined to confirm the report, and it was impossible to contact relatives of Dr Vides. "This is a very delicate matter," Army spokesman Colonel Ricardo Aristides Cienfuegos said when asked about the kidnapping. "We do not wish to discuss it," he added. The sources said that it is believed that Vides Casanova will be included in a prisoner exchange negotiation to obtain the release of imprisoned rebels.

Official on Abduction

PA050152 San Salvador Radio Cadena YSU in Spanish 0115 GMT 5 Jun 84

[Excerpts] Dr Eduardo Vides Casanova, the brother of Defense Minister General Carlos Eugenio Vides Casanova, was kidnapped this morning by three unidentified heavily armed men who abducted him from his clinic in the Esperanza neighborhood of San Salvador. We questioned Colonel Adolfo Onecifor Blandon, chief of staff of the Armed Forces, about this. He said the following:

[Begin recording] [Unidentified reporter] Col Blandon, we were informed this afternoon that Gen Vides Casanova's brother was kidnapped.

[Blandon] I have just spoken with the defense minister, and he confirmed to me that his brother, a doctor, was apparently abducted from his clinic. We are awaiting developments on that situation, because we have no details about the case.

[Reporter] We were also informed about this. [Words indistinct] something about it, but we were given no details or any special report.

[Blandon] I do not believe he knows any of the details, either. He only called to inform me, so that we could take the appropriate measures. I have no details to add.

REBELS RENEW ACTIVITIES IN USULUTAN DEPARTMENT

PA040450 San Salvador Radio Cadena YSKL in Spanish 0025 GMT 4 Jun 84

[Text] The guerrillas have renewed their activities by obstructing traffic on the Coastal Highway in Usulután Department. During the past 3 days, in the morning hours, the leftists have obstructed traffic for several minutes in the areas known as the El Coyolito turn-off and the Punta de San Juan turn-off on the road to San Agustín, and near Tierra Blanca. Military sources have reported that the leftists have renewed their activities in this area, demanding that drivers and passengers pay a war tax and give them food. The sources also said that brief combat had been reported in that area, resulting in at least three rebels dead and an equal number of soldiers wounded.

VENCEREMOS REPORTS ON REBEL OPERATIONS

Fighting in Jiquilisco

PA050204 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 5 Jun 84

[Text] On 4 June 1984 at 1500, a national Navy unit was patrolling in Las Mesas canton and village, Jiquilisco jurisdiction. Our revolutionary forces proceeded to encircle this unit of the national Navy and to eliminate it. Most of the forces of this national Navy unit were annihilated by FMLN forces in this clash. Preliminary reports indicate that there were many dead and wounded. In subsequent broadcasts we will give the number of dead and wounded as a result of this FMLN victory in Jiquilisco, Usulután Department.

Attention, this is the first report reaching Radio Venceremos on today's fighting at 1500 in the area of Jiquilisco. It indicates that so far our units have recovered the following war materiel: 15 U.S. M-16 rifles, 3 M-60 machineguns, two 60-mm mortars, 1 M-79 grenade launcher, 2 military communications radios, 2 Browning pistols, 17 sets of military equipment, and thousands of rounds of M-16, M-60, 60-mm, and grenade launcher ammunition. The preliminary report indicates that our units in Jiquilisco captured five members of the national Navy; five prisoners of war were taken. This is the preliminary report on the Usulután Department fighting supplied by compañero commander Roberto Jiménez, from the Commander Rafael Arce Zablah Brigade, which has once more hit hard the army defending the wealthy oligarchs. This is the response of a dignified people to increasing imperialist intervention in our homeland.

Clashes in San Miguel

PA050308 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 5 Jun 84

[Text] These are further reports that have reached Radio Venceremos. On 2 June, in La Puerta Canton, near San Miguel, FMLN units had heavy clashes with troops of the 3d Infantry Brigade, commanded by the genocidal Domingo Monterrosa.

These enemy troops were trying to pass themselves off as guerrillas to surprise the population and our guerrilla units. When we realized what the situation was, our military units set an ambush for the enemy, inflicting two dead and one wounded, including a military radio operator. This information is coming to you from San Miguel Department.

From northern San Miguel Department we have received more military information. A total of 15 casualties, including two cadet lieutenants, was the result of FMLN ambushes set for the troops of the dictatorship using rifle fire and mines. Here are the details of these military reports. The first report indicates that on Sunday, 3 June, our units set an ambush between San Luis de la Reina and Ciudad Barrios, in northern San Miguel Department, inflicting three casualties on the puppet Army. On the same date units of the Rafael Arce Zablah Brigade in another ambush with rifle fire and mines inflicted three wounded on the forces of the Ponce Battalion, at the Espirito Santo Farm in the vicinity of Sesori. Today, on 4 June, FMLN Rafael Arce Zablah Brigade forces ambushed Leon Battalion units at a place known as (El Reten), 4 km from Ciudad Barrios, seriously wounding one cadet and three soliders.

In the same area of San Miguel Department, at 0900 on 4 June, FMLN Rafael Arce Zablah Brigade guerrilla units ambushed a patrol of the 3d Infantry Brigade on the highway leading from Chapeltique to Ciudad Barrios. Our guerrilla units used rifle fire and mines to seriously wound four soldiers and one cadet lieutenant who was leading the unit.

In northern San Miguel Department we have inflicted a total of 15 casualties on the forces of dictatorship, including two cadet lieutenants. Our revolutionary greetings to the heroic forces in northern San Miguel Department who are constantly hitting, harassing, and demoralizing the forces of the puppet Army.

FARABUNDO MARTI SUMMARIZES MAY ACTIVITIES

PA040444 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0100 GMT 4 Jun 84

[Excerpt] Attention, Salvadoran people, Radio Farabundo Marti will now present a summary of our peoples militias' activities during the month of May: Our militias' generalized activities throughout our national territory are dealing overwhelming blows to the dictatorship's war economy. This war economy, fed by the criminal dollars being sent to continue the war against our people, is being fought to wear down the unpopular regime. Today's darkness will become tomorrow's light.

Our people's militias are in all our FMLN war fronts, in the departments where the dictatorship has concentrated its largest war efforts against our people. We guide our people in their self-defense against the enemy repression, leading our people so that they can join the revolutionary process and unmask the criminal demagoguery of the dictatorship. Our people's militias showed their presence during the months of May, the workers' month, through the following: 71 actions of propaganda in towns, villages, settlements, and cantons; 5 actions to control highways and military routes; 32 sabotage actions against electric energy, and blown-up posts and towers; destruction of 4 buildings owned by the puppet regime and the oligarchy.

May, the month of solidarity with the workers' struggle! Our peoples' militias have also shown their presence in the cities throughout our national territory!

VENCEREMOS: HONDURAN TROOPS ON MORAZAN BORDER

PA050237 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 5 Jun 84

[Text] The concentration of Honduran troops on the border of Morazan Department continues. We have been informed that last Saturday 300 Honduran soldiers were concentrated in the town of Santa Elena, Honduras, while other Honduran Army units made an incursion [incursionado] in the area of the San Antonio River, near the Salvadoran town of Joateca. Another report on the mobilization of Honduran troops on the border of Morazan indicates that in the last few hours Honduran troops have arrived in Colmoncagua. These troops are under the command of a U.S. adviser. This deployment of Honduran troops on our border is taking place at a time when the U.S. Army military maneuvers in Honduras are reaching their culminating phase.

The military units of the FMLN Commander Rafael Arce Zablah Brigade remain on the alert and combat-ready to defend the territory we control. Our military units are fully alert for any infiltration or aggression, regardless of its origin, to defend the homeland; we are ready to destroy the invading Yankee; we are prepared. Our forces are combat-ready and vigilant to detect any infiltration that the so-called long-range reconnaissance units trained by the Gringos may try to make. All our military units in the border area with Honduras and all observation points in Morazan Department are alert to detect any foreign presence in our area; we are ready to detect and confront the U.S., Salvadoran, and Honduran troops.

FARABUNDO MARTI ON DURATE AS PRESIDENT

PA041625 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0100 GMT 4 Jun 84

[Station commentary]

[Text] Duarte is the man deeply involved in the Reagan administration's policy of intervention and war. The puppet Duarte has been imposed by Reagan to strengthen aggressive plans against our homeland. The speech given by Duarte on 1 June is the [word indistinct] of the war and economic crisis our people are suffering. Duarte has offered peace, democracy, and social justice, but our people ask: What kind of peace is Duarte talking about when he has accused the people of not supporting the genocidal Armed Forces involved in daily bombings of peasant villages and killings and kidnappings of dozens of compatriots? What kind of peace is the new commander in chief of the Army offering when hundreds of youths are snatched from their homes, converted into soldiers against the people, and sent to the battlefield to become cannon fodder?

In his speech, Duarte had to publicly admit that the Salvadoran people do not support the Armed Forces. The people will not support an armed force that does not represent their interests. Duarte said that his government is that of the 5 million Salvadorans, and we ask him: Why then, does the FMLN have political and military control of one-third of the country? Duarte's regime is a partial one, because it does not rule in the entire country. Duarte is a [word indistinct] who, with his opportunism and unconditional servility, was imposed by the Yankees as president of the genocidal regime. Duarte has offered democracy and social justice, but he thinks he can hide the violations of our people's basic rights which are an indispensable part of U.S. policy against our people. Persecution, arrests, torture, disappearances, and murders in the cities and in the rural areas are part of a policy of terror in the U.S. counterinsurgency strategy. The same military commanders of the Army and the repressive organizations have continued their savage task, disguised as death squads. They will not be tried, much less punished, by Duarte.

This is type of social justice and democracy promised by Duarte backed by the pillars of [words indistinct] and repressive laws such as the ominous state of seige.

Duarte has no reason to envy the criminals Carlos Humberto Romero, Julio Rivera, and Maximiliano Hernandez Martinez, because in only 2 years, Duarte has killed more than 34,000 compatriots. For this, Duarte demands the people's support for a criminal Army just to kill Salvadorans. The criminal policy against the people will continue. The death squads, the bombings, and the recruitment of Salvadoran youths by force will continue. Low salaries, unemployment, and the high cost of staples will continue. The delivery of our national sovereignty to Yankee warmongers will continue.

Duarte's platform consists of an increase in the war and a direct and massive intervention against the Salvadoran people. Duarte is not seeking a real, just, rational, and proud solution to the war. He is a mere puppet of the intervention. For this reason, Duarte heads a regime without the people's support and real power. It is only a regime to prolong the war and imperialist intervention.

VENCEREMOS: ARMY RECRUITING STUDENTS BY FORCE

PA031902 (Clandestine) Radio Venceremos in Spanish to El Salvador 1400 GMT 3 Jun 84

[Text] In the past few hours Army and Civil Defense patrols have begun an operation in San Salvador to recruit secondary school students by force. A number of parents in the capital have protested this. According to our informants, the Army patrol units park near the schools and wait for the students who are going home from class. The first such recruitments by force took place near the Santa Cecilia School, when several students from this school were brutally recruited and taken to the Opico Garrison. These incidents reveal the brutal methods being used by Duarte's regime to counter the massive desertions from the ranks of the puppet Army.

REBEL RADIO LISTS STUDENT DEMANDS TO GOVERNMENT

PA011740 (Clandestine) Radio Farabundo Martí in Spanish to El Salvador 0100 GMT 1 Jun 84

[Text] Attention working people; attention, university students, professors, and employees at the University of El Salvador. We have received a report from our companero correspondent Benjamin Ramirez in San Salvador on the platform of demands published by the General Association of Salvadoran University Students, AGEUS. Our companero's report indicates that the AGEUS has presented this platform of demands for the 1984-1985 school year.

The university association points out that more than 20,000 students are currently involved in academic, cultural, and scientific activities in this school year, even though the university was intervened. All university students and the Salvadoran people are demanding that the regime fulfill the following demands included in the platform.

1. Immediate presentation of the budget report;
2. Presentation of a special budget to restore the property that was stolen and destroyed during the military intervention by the Christian Democratic regime of Napoleon Duarte on 26 June 1980;
3. Immediate respect for university autonomy;

4. An immediate halt to all repression of the university community and the immediate release of university students, professors, and employees imprisoned in the regime's jails or reported missing;
5. Immediate [words indistinct] to all the low-income scholarship students who have not received it since 26 June 1980;
6. Guaranteed student participation in university government.

These are some of the demands presented by the ACEUS. They were published in San Salvador and reported to Radio Farabundo Marti by our companero correspondent Benjamin Ramirez. The university belongs to the Salvadoran people. The University of El Salvador must serve the Salvadoran people.

GUATEMALA

MEJIA, ANDRADE ON SHULTZ MEETING, U.S. RELATIONS

PA032151 Panama City ACAN in Spanish 1802 GMT 3 Jun 84

[By Jose Bujanda]

[Text] Guatemala City, 3 Jun (ACAN-EFE) -- General Oscar Mejia Victores has described his meeting in San Salvador with U.S. Secretary of State George Shultz as "informal and very positive for the Central American countries." Last night, on his return to Guatemala from San Salvador where he attended the inauguration of Salvadoran President Jose Napoleon Duarte, Gen Mejia Victores said that "the meeting was informal in nature, with very positive and favorable results for the Central American countries." General Mejia Victores added that the meeting was held to further strengthen the ties of friendship that have united the two peoples and nations.

Meanwhile, Guatemalan Foreign Minister Fernando Andrade, who accompanied Gen Mejia Victores on his 2-day visit to El Salvador, said that Shultz had agreed to hold a formal meeting with the Central American and Contadora Group (Mexico, Panama, Venezuela, and Colombia) foreign ministers in June. The Guatemalan foreign minister stated that "no request for aid was made to Shultz since the truth is that the United States has been making an effort to find solutions that will allow detente in Central America."

Political sources here today said that the "informal meeting" between Gen Mejia Victores and Shultz confirmed the new path of greater rapprochement and cooperation with the United States by the military government's foreign policy. The strengthening of bilateral relations began 2 weeks ago with Foreign Minister Andrade's official visit to Washington, where he met with Shultz and politicians such as U.S. Representative Clarence Long, one of the strongest critics of the Guatemalan military regime. In February Frederick Chapin, former U.S. ambassador to Guatemala, left the country for good after much friction with Gen Mejia's government over human rights violations in Guatemala. The U.S. House of Representative's Foreign Relations Committee has approved, for the fiscal year beginning in October, \$10.3 million in military aid for Guatemala. The House of Representative's cooperation committee [as heard] is studying a budget plan for an additional \$90 million in economic aid for 1985. U.S. economic and military aid to Guatemala was stopped by the Jimmy Carter administration in 1977 due to the constant human rights violations in that Central American country.

ARMY, GUERRILLAS CLASH; 20 PEASANTS 'RESCUED'

PA020051 Guatemala City EL GRAFICO in Spanish 1 Jun 84 p 2

[Text] In a bulletin issued by its Public Relations Office, the Guatemalan Army has reported that it rescued 20 peasants during a clash with guerrillas on Wednesday afternoon. The rebels were holding them hostage in the vicinity of Conosip Hill, jurisdiction of Nebaj Municipality, in El Quiche Department. The Army communique notes also that eight guerrillas died in the clash and that their weapons as well as explosives, minor surgical equipment, canned foods, clothing, and blankets were seized. The dead could not be identified because they carried no documents. However, the report indicates that they were wearing uniforms similar to those used by the Army. Some of the liberated peasants had been bound. They told the military patrol that found them that they had been taken prisoner because they refused to cooperate with the guerrillas. The Army took them to the relief camps it has established in Military Zone No 20 in that area.

HONDURASBEGINNING OF EXERCISES WITH U.S. REPORTED

PA021808 Tegucigalpa Cadena Audio in Spanish 1145 GMT 1 Jun 84

[Text] Today, 1 June, Honduran, U.S., and Salvadoran military forces begin small-unit operations that are part of the "Grenadier I" maneuvers. These exercises will conclude after a week of combined actions in the Cucuyagua region of Copan. At approximately 0800, Honduran and Salvadoran troops will board U.S. helicopters of the UH-1H and CH-47 type, belonging to the 227th task force. The boarding will take place in the training area. The troops will be taken to landing areas where various companies will disembark throughout the day. The Honduran and Salvadoran troops, in close coordination with elements from the 7th Special Forces Group, will engage in small-unit tactics involving movement to contact and rapid withdrawal techniques.

During the exercises, the Honduran troops will work with their U.S. equivalents but will remain a Honduran force. The Salvadoran troops will also work in combination with their U.S. equivalents while remaining a Salvadoran force.

Air Force units and elements from the Joint Task Force will provide air support. The United States will use OA-37 and O-2A aircraft. Honduras will use A-37 and Super Mystere planes. The Air Forces will operate in a combined fashion to give immediate air support to the troops in combat. The Joint Task Force is under the command of a staff charged with controlling the combined exercise. Personnel from all three participating countries -- Honduras, the United States, and El Salvador -- are represented on the staff.

PRESIDENT SUAZO APPROVES DISPUTED TAX LAW

PA011500 Tegucigalpa EL HERALDO in Spanish 31 May 84 p 3

[Text] President Roberto Suazo Cordova yesterday approved a decree cutting public expenditures and establishing new taxes on imports and exports.

With a black fountain pen, the president wrote in the traditional order "therefore, let it be executed" on the decree approved last week by the national congress.

The decree will be published today in the OFFICIAL GAZETTE. According to the decree, the state will cut public expenditures by approximately 26 million lempiras, while funds to the decentralized entities will be cut by no less than 110 million lempiras. This law opens the door to international organizations that had been waiting for its approval to start providing the necessary lines of credit to the Honduran Government.

SALVADORAN REFUGEES' RELOCATION OPPOSED

WA051330 Rome IPS in English 30 May 84

[Text] Tegucigalpa, May 30 (IPS) -- Several international humanitarian agencies yesterday came out against the proposed relocation of several thousand Salvadoran refugees to northern Honduras. Representatives of the Geneva-based International Council of Voluntary Agencies, the Honduran Catholic Church, the U.S. Bishops Conference, the archdiocese of San Salvador, and other organizations, meeting at an assembly in Tegucigalpa yesterday, expressed their surprise at Honduran Foreign Minister Edgardo Paz Barnica's claim that the refugees would be moved at the request of these organizations. The Honduran Army cites "national security reasons" for wanting to move the Salvadoran refugees away from the border with El Salvador. Some 18,000 Salvadorans have fled the civil war in their country to come to Honduras. An additional 20,000 Nicaraguans have sought refuge in Honduras from the fighting in their country, as have about 500 Guatemalans.

NICARAGUA

RADIO ON POSSIBILITY OF TALKS WITH U.S.

PA041408 Managua Radio Sandino Network in Spanish 1200 GMT 4 Jun 84

[Excerpts] From Dublin, Ireland, where President Ronald Reagan is visiting, it was announced yesterday that the United States and Nicaragua will initiate a process of negotiation within 15 days, based upon the decisions made at the meeting last week between U.S. Secretary of State George Shultz and government junta Coordinator Daniel Ortega Saavedra.

According to a State Department spokesman, Reagan's intention is for the negotiations to reduce the risks of a large-scale rebel offensive in El Salvador, which would worsen the tension in Central America just before elections in the United States. It has been said that the Nicaraguan-U.S. talks will be carried out at a fast pace between Harry Shlaudeman, Reagan's representative for Central America, and Victor Hugo Tinoco, Managua's deputy foreign minister designated for this mission. It is not considered possible at this time for President Reagan and Commander Daniel Ortega to hold a personal dialogue, because their positions continue to be widely different. So far, there is no agreement on the place and date for these talks, although it has been said that the United States agrees that they should be held alternately in both capitals. Meanwhile, Nicaragua prefers a neutral place such as Mexico, a country which -- it has been said -- influenced Shultz' visit to Managua.

The Reagan administration wants to ensure that the Sandinist revolution does not provide the Salvadoran guerrillas with further military aid -- which it has not been able to prove -- and that political pluralism be ensured in order to hold free elections and increase freedom of the press. The revolutionary government has asked that the Reagan government suspend its support of the counterrevolutionary mercenaries, who destabilize the country's economy with CIA financing.

It was reported in Ireland yesterday that it is possible for Reagan to quietly support the counterrevolutionaries while the Shlaudeman-Tinoco talks are under way in the hope of a decrease in the escalating conflict in the region, which could affect his electoral campaign in the United States. His Democratic foes are not convinced of this and do not put aside the thought that some day there could be a deployment of U.S. troops on the isthmus, which they would not like.

THE WASHINGTON POST and THE NEW YORK TIMES, prestigious U.S. newspapers have pointed out the Reagan administration's contradiction: While it has declared that it is willing to hold talks with Managua after Shultz' talks with Daniel Ortega, it has said that it would not be willing to make any concession in its policies toward Nicaragua. The secretary of state, upon arriving in Ireland to join the Reagan entourage visiting that country, said that his meeting with the coordinator of the government junta in Nicaragua is not a new initiative or a change in his government's policies in Central America. Shultz' trip to Managua will not prevent the Reagan administration from asking the U.S. Congress this week for supplementary aid for the counterrevolutionaries fighting the Sandinist revolution, THE NEW YORK TIMES says in a front-page article.

Meanwhile, THE WASHINGTON POST reflects the lack of confidence on the part of the chief of Nicaraguan diplomacy, Father Miguel D'Escoto, who expressed his fear that Shultz' trip to Managua was a mere publicity stunt. It is difficult -- the Nicaraguan foreign minister said -- to understand the sudden change in the United States. This leads him to think that this event is taking place at this time only to partially hide the true face of the Reagan government. Father D'Escoto later added that the presence of a third nation is essential in future discussions between Nicaragua and the Reagan government, because of the lack of confidence and the disparity in the two countries' strength. Without mentioning their names, THE POST has reported that other Nicaraguan leaders -- questioned by phone -- expressed the same feelings, although they described Shultz' arrival in Managua as the beginning of a phase or process in the search for a political solution to the Central American crisis.

BORGE: ELECTION CAMPAIGN BEHIND U.S. POLICY

PA050355 Managua Radio Sandino Network in Spanish 0000 GMT 5 Jun 84

[Text] Mexico City -- Commander of the Revolution Tomas Borge has said that the Reagan administration is feigning a foreign policy of peace toward Nicaragua in order to create within the United States the necessary conciliatory image for the current electoral campaign. In an interview published in today's issues of the Mexican newspapers EXCELSIOR and UNOMASUNO, the Nicaraguan interior minister accused Washington of attempting to recover world hegemony by means of force and by humiliating the weaker peoples. Borge stressed the need for establishing some type of relationship with the United States that will lead to an end to the policy of barbarism that the U.S. Government wants to impose on all the peoples, UNOMASUNO said.

TIRADO LOPEZ REITERATES DESIRE FOR DIALOGUE

PA041730 Managua Radio Sandino Network in Spanish 1200 GMT 4 Jun 84

[Text] Commander Victor Tirado Lopez, a member of the FSLN National Directorate, has reiterated that the Sandinist government firmly desires a dialogue for peace. During his participation in the funeral for the combatants who died defending the revolution in Ocotal, Tirado Lopez said:

We do not want to sacrifice young people, but unfortunately the U.S. Government does not understand this revolution and is trying to crush and eliminate it through economic, political, financial, and military means.

Tirado added that in the face of the Reagan administration's warmongering policy, the revolution will continue to defend the fatherland's dignity, independence, and sovereignty. The revolutionary leader also expressed the FSLN National Directorate's sorrow over the death of the companeros, adding that they were peasants and workers and that is why we feel the death of these companeros, who are dying every day due to the stubborn U.S. policy.

DEFENSE MINISTRY ANNOUNCES POSITION CHANGES

PA011537 Managua Domestic Service in Spanish 0040 GMT 1 Jun 84

[Defense Ministry communique issued 31 May]

[Text] The Defense Ministry wishes to report that:

1. As of 1 June 1984, Deputy Commander Roberto Sanchez Ramirez will assume new military duties within the Sandinist People's Army General Command.
2. As of the same date, 1st Lieutenant Rosa Pasas Arguello will be chief of public and foreign relations at the Ministry of Defense.

MILITIA IN 3D REGION TO BE REACTIVATED

PA041455 Managua Radio Sandino Network in Spanish 1200 GMT 4 Jun 84

[Text] The Sandinist People's Militia in the 3d Region will be reactivated in the next few days, Commander Alvaro Baltodano, a member of the General Command of the EPS [Sandinist People's Army], announced yesterday. Participating in the third National Assembly of Parents With Children Abroad [Asamblea Nacional de Padres de Familia con Hijos en el Exterior], Commander Baltodano said that the current war situation in the country forces the government to intensify the military preparation of all the people organized in the defense, adding that to achieve the peace that our people so desire, which is disturbed by CIA mercenaries, each Nicaraguan's participation is needed in the different revolutionary tasks.

TRADE MINISTRY TO CONTROL SALE OF BASIC GOODS

PA021406 Managua Radio Noticias in Spanish 1200 GMT 1 Jun 84

[Excerpts] Domestic Trade Minister Dionisio Marengo yesterday made an important statement at the State Council on the subject of state control of the distribution of and speculation in basic goods.

The Domestic Trade Ministry has decided to establish measures to ensure state control over the storage, sale, distribution, and freight costs of several products, which are sugar, vegetable oil, rice, salt, sorghum, and soap. Henceforth, these products can be sold only by the Domestic Trade Ministry's approved agents. In addition, the subsidies for these and other products have been abolished; only sugar and milk will continue to be subsidized.

As of today, the prices for basic goods sold to the public will be the same as the state pays producers. In other words, subsidies will be reduced to the payment of handling and freight costs. It has also been decided to fine or confiscate vehicles that are illegally transporting state-controlled merchandise.

In a statement that lasted some 3 hours, Domestic Trade Minister Marengo explained to the State Council how products will be distributed and what measures will be used to control speculators.

Meanwhile, the State Council is discussing a bill to authorize the Domestic Trade Ministry to list products that are under state control.

At the moment, the distribution and sale of sugar, vegetable oil, rice, salt, sorghum, and soap are exclusively controlled by the Domestic Trade Ministry. Other products may later be added to the list.

WHEELOCK SAYS SUGAR HARVEST ENDED SATISFACTORILY

PA042005 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 4 Jun 84

[Text] Commander of the Revolution Jaime Wheelock Roman, the agrarian reform minister, has stated that the sugar harvest ended satisfactorily in the country's six sugar mills. An event marking this occasion was presided over by Agrarian Reform Minister Wheelock Roman and Planning Minister Henry Ruiz; Companero Federico Lopez, political secretary of Region 4; and MIDINRA [Ministry of Agricultural Development and Agrarian Reform] Deputy Minister (Eduardo Hallman).

The sugar harvest this year was the second best in Nicaraguan history. We already have 5.2 million quintals of sugar and we are still grinding sugarcane at the San Antonio and Benjamin Zeledon sugar mills. The 1983-84 cycle faced many problems, such as sabotage and a lack of spare parts, Wheelock Roman said, adding that in spite of this, it was the best sugar harvest in 5 years of revolution.

[Begin Wheelock Roman recording] Today, we chose this land of Nandaime, particularly the Javier Guerra Sugar Mill, as the site to mark the closing of the harvest of the country's six sugar mills. We've chosen the Javier Guerra Sugar Mill again because after the evaluations we've made, taking into account the behavior of the industrial area and all the parameters that measure the success or failure of a sugar harvest, we found that the Javier Guerra Sugar Mill has been the best mill in this 1983-84 harvest. [end recording]

The best workers received certificates of recognition at this event.

BASIC GRAIN PRODUCTION TO BE INCREASED

PA041625 Managua Radio Sandino Network in Spanish 1200 GMT 4 Jun 84

[Text] The production of basic grain will be increased to 7 million quintals this agricultural cycle, which is equivalent to approximately 82 percent of national consumption. The Nicaraguan population requires 12 million quintals of basic grains a year. The annual consumption of beans amounts to 1 million quintals: 30 percent in the rural sector and 70 percent in the urban population. Bean production will be 450,000 quintals from an area of 91,700 hectares. This year, the National Food Program, PAN, does not plan to import beans if production does not suffer any setback because of the war conditions or the country's economic stagnation.

MEDIA LAW TO BE SUPERVISED BY INTERIOR MINISTRY

PA020351 Managua Domestic Service in Spanish 0300 GMT 1 Jun 84

[Text] The Nicaraguan Interior Ministry will be responsible for supervising the application of the media law, the State Council decided by a majority vote during the second day of debates on the new law. The draft, initially drafted by the Revolutionary Patriotic Front, FPR, which includes the Nicaraguan Socialist Party, the Popular Social Christian Party, and the FSLN, included the establishment of a national social communications council to supervise the application of the law. A special parliamentary commission reviewed the draft and included the Sandinist Armed Forces proposal by which the new media control law will be supervised by the Interior Ministry in view of the war situation that Nicaragua is experiencing.

Four Articles Approved

PA042015 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 4 Jun 84

[Text] The State Council has approved the first four articles of the law on the communications media, whose functions are described as a social service that must be carried out with responsibility toward the people.

PPSC STATES STAND ON ELECTIONS, FPR WITHDRAWAL

PA022352 Managua Radio Noticias in Spanish 1200 GMT 1 Jun 84

[Excerpt] The National Executive Commission of the Popular Social Christian Party [PPSC] held a news conference for local and foreign reporters at the Camino Real Hotel yesterday. At this news conference, the members of the commission stated the party's position with regard to recent political events. The PPSC announced that it is willing to participate in the upcoming elections so long as the necessary guarantees are given. It added that no candidates will be registered until the state of emergency, which was just extended for another 50 days, is lifted.

According to PPSC Secretary General Mauricio Diaz, his party does not agree with the junta's extension of the state of emergency, and he stressed that the country's military situation will not improve in 50 days. In addition, the PPSC harshly criticized the Sandinist party and certain rank and file members, whom they described as sectarian and responsible for preventing the free mobilization of PPSC political activities. Diaz also said that there is a possibility of a PPSC withdrawal from the State Council while the media law is under discussion, as well as an eventual withdrawal from the Patriotic Front of the Revolution [FPR]. Let's hear some of his statements:

[Begin Diaz recording] We want to announce that the party has declined an invitation by the FSLN to participate in the elections under the Sandinist Front Party. Our organization believes this formula goes against our identity as an organization and our ideology. We feel that such a participation could lead to a new trend: the creation of a single party. This is contradictory to democracy and competitive electoral systems. Our party feels that the best contribution it can make to our fatherland and revolution is to prevent this single party trend and help, with all its strength, to build a truly democratic regime. In addition, we want to announce to the Nicaraguan public, taking advantage of the presence of local and foreign media, that our National Executive Commission has suggested the possibility of a withdrawal from the FPR. This suggestion will be analyzed, discussed, and decided upon at the National Political Commission, which is an intermediate group between the Executive Commission and the National Party Congress.

At this moment, after 4 years, we want to tell you frankly that our participation in that bloc has especially affected our party. It has been very difficult to establish the differences and similarities with the ruling party when we have been [word indistinct] the policy of national unity, we have been supporting the plans for national reconstruction, and we have backed the revolutionary changes promoted by the FSLN. However, as a political party we have the obligation and responsibility to safeguard, in the first place, the [word indistinct] of our organization. This means that we must safeguard our identity, programs, and principles.

To conclude, we want to point out that the issue of the FPR will be discussed by our National Political Commission on Monday and that the party leadership will meet in Managua on 17 June. This leadership will make our party's final decisions with regard to our participation in the elections and the candidates for the executive branch and the national constituent assembly. We end this news conference with this, and we thank you. [end recording]

FPR's Tablada on PPSC Decision

PA042025 Managua Radio Noticias in Spanish 1200 GMT 4 Jun 84

[Text] What will happen to the Patriotic Front of the Revolution [FRP] if the Popular Social Christian Party [PPSC] today decides to withdraw from that alliance? What position will the Nicaraguan Socialist Party [PSN] adopt within the FPR if the PPSC decides to withdraw? Why couldn't the revolutionary alliance in the FPR be maintained? We will hear remarks by Gustavo Tablada, coordinator of the FPR and a member of the PSN political commission, commenting on the decision that will be adopted by the PPSC today.

[Begin recording] [Tablada] First of all, we must bear in mind that this is an individual decision by the PPSC. As a party, it has the right to make its own decisions. They must logically have their reasons to reach such a decision. Logically, I think that at the same time that they announce their withdrawal -- (?if they do so) -- they should call a special meeting of the national coordination commission to see if we can jointly decide what will happen to the FPR. In any case, we should (?wait) for the definite decision of the companeros of the PPSC and on the basis of that, take some more or less specific measures regarding the fate of the FPR.

[Unidentified reporter] Dr Tablada, you are also a member of the PSN political commission. What is your party's position on this?

[Tablada] We have already analyzed this problem and we have reached some agreements in this regard. We think that the PPSC's decision should be respected and considered, since it has a right to make such a decision. We also believe that the PSN has always been characterized by its desire to maintain a policy of unity -- in this case, one of full defense and consolidation of the revolutionary process. We have carried out all possible efforts to achieve this objective. Nevertheless, different reasons have prevented this objective. We could not find the appropriate means to maintain an alliance with sufficient integrity and responsibility by the political organizations that comprised it. Nevertheless, the conditions and reasons that led to the alliance, to this effort for unity, continue to be present. The PSN will always be ready to do everything necessary for this effort and will maintain a political position in support of the formation of a strong democratic and revolutionary alliance around our revolutionary process. We think that it is more effective to promote such an alliance than to carry out an alleged policy of national unity in very general terms that ultimately does not bring about the needed results of strengthening the sectors that are participating in strengthening the Sandinist people's revolution. [end recording]

LABOR LEADER INDICTED AT SPECIAL COURT

PA020343 Managua LA PRENSA in Spanish 28 May 84 p 5

[Text] Salvador Sanchez Chinchilla, labor leader of the Nicaraguan Workers Federation (CTN), has been indicted at the special courts for his alleged participation in activities against the Sandinist government. Sanchez Chinchilla, former president of a hospital union, was indicted on the following charges: endangering the people, association to commit a crime, taking up weapons to attack the government and its organizations, murder, theft, and harming property and people. According to the prosecutor who made the charges, Sanchez Chinchilla was a companero of one of the ARDE [Democratic Revolutionary Alliance] leaders. The prosecutor also charged that the union leader committed these crimes with the complicity of Francisco Batres Lopez, Rafael Lino Pena Slandon, and Francisco Antonio Madrigal Carbonero.

OVER 40 CONTRAS REPORTEDLY KILLED IN OCOTAL

PA041948 Managua Radio Noticias in Spanish 1200 GMT 4 Jun 84

[Text] Military sources yesterday reported that more than 40 contras were killed in the attack on Ocotal. A total of 18 bodies were found in the mountainous areas near Ocotal. A funeral was held yesterday for the members of the EPS [Sandinist People's Army], the volunteer police, and the CPS [Physical Protection Corps] who were killed in the contra attack on Ocotal on Thursday morning. According to the military reports, the contras were killed in their flight to Honduras when they were being pursued by the Sandinist Armed Forces.

Further on Casualties

PA042014 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 4 Jun 84

[Text] A specialized group of mercenaries tried to take over Ocotal to destroy economic targets of our country, but they were unable to fulfill this mission successfully. Several members of the Sandinist People's Army, the Voluntary Police, and CPS [Physical Protection Corps] companeros were killed while they fought the counterrevolutionaries during this attack.

The mercenaries also killed two civilians. Our armed forces forced them to retreat, inflicting several casualties on them, including the leader known as El Griego.

BRIEFS

WHEAT DONATIONS -- Corinto -- A valuable donation of 10,000 tons of wheat has been brought aboard the Eastern Pioneer, a Liberian vessel arriving from France. The same ship also carried 1,173 tons of corn donated by the EEC. In less than 4 days, two ships have docked at the port of Corinto carrying assistance for the Nicaraguan people. On Saturday, a ship brought a donation of wheat from the Soviet Union. This shipment, together with that on the Eastern Pioneer, make a total of 20,861 tons of grain.

[Summary] [Managua BARRICADA in Spanish 30 May 84 p 7 PA]

MONTANE MEETS WITH PFLP DELEGATION IN HAVANA

FLO41854 Havana Television Service in Spanish 1700 GMT 4 Jun 84

[Text] Jesus Montane Oropesa, alternate member of the Politburo, member of the Secretariat, and head of the General Department of Foreign Relations, has received at Central Committee Headquarters a delegation from the Popular Front for the Liberation of Palestine. Mustafa Abu 'Ali, assistant general secretary of the organization, headed the delegation. During the fraternal talks, they analyzed the international situation and especially problems in the Middle East and Palestine. Salah Salah, member of the PFLP Politburo, and Husayn 'Abdal-'Aziz were also present.

Montane Oropesa reiterated to the Palestinian delegation the unchanging position of the Communist Party of Cuba of solidarity with and support for the heroic cause of the Palestinian people, as well as of the PLO, in the struggle for their just and inalienable rights to return to their homeland and to set up their own independent state.

REAGAN FACES DEMONSTRATIONS IN IRELAND

FLO41236 Havana Domestic Service in Spanish 1045 GMT 4 Jun 84

[Text] It has been reported from Dublin that several persons have been injured and numerous persons arrested as the result of anti-Reagan demonstrations held in Ireland since Reagan arrived last Friday on the official visit he is making for electoral purposes. The report says that the demonstrators, who are opposed to U.S. policy on nuclear weapons and Central America, threw eggs at the automobile in which Reagan traveled from the Galway Cathedral to the isolated castle that he is using as his official residence.

Gives Speech to Parliament

PA041736 Havana International Service in Spanish 1600 GMT 4 Jun 84

[Text] U.S. President Ronald Reagan has called for a harder U.S. position toward Nicaragua. The U.S. president did this in the midst of massive popular rejection of his warmongering policy of aggression against Central America and after ridiculously mistaking his host at an official reception.

In a speech to the Parliament of Ireland, which he left today for Great Britain, the U.S. President defended his policy of giving military aid to the genocidal Salvadoran regime and reiterated his charge of alleged subversive activity by the Sandinist authorities in the Central American area. During the same speech, in which he avoided referring to the installation of new U.S. nuclear rockets in West European territory, Reagan said that the White House is prepared to reinitiate its contacts with the Soviet Union to put limits on atomic weapons.

The U.S. President appeared before the Irish Parliament following a banquet given in his honor by Irish Prime Minister Garret Fitzgerald. In a toast, Reagan toasted the president of Ireland, who was not even at the banquet.

Ronald Reagan's visit to Ireland -- a country he likes to call the cradle of his ancestors -- provoked continuous popular protest. One of the marches carried out Sunday in Dublin included posters with the names of Central American martyrs.

CORRESPONDENT VIEWS SHULTZ VISIT TO NICARAGUA

PA050225 Havana International Service in Spanish 0000 GMT 5 Jun 84

["Chronicle" by Francisco Urizarri, PRENSA LATINA correspondent in Managua]

[Text] The Nicaraguan Government gave new proof of its willingness to achieve peace last week when, despite the growing aggression against that country, it received U.S. Secretary of State George Shultz, representing President Ronald Reagan. The talks held in Managua for 2 hours by Commander Daniel Ortega, coordinator of the Government Junta, and Shultz constituted a reiteration of the oft-repeated Nicaraguan decision to open a bilateral dialogue with the United States to seek solutions to the problems between the United States and Central American without yielding on matters of principle, independence and sovereignty.

The attention of observers was drawn by the frank and respectful way in which the consultations took place, as well as the decision of both sides to hold subsequent contacts, for which Nicaraguan Deputy Foreign Minister Victor Hugo Tinoco and Harry Shlaudeman, Reagan's special ambassador for Central America, were appointed.

Another fact worth noting is that, despite the aggressive campaign characterized by statements by numerous U.S. officials, including President Reagan himself, and by the initiation of a counterrevolutionary offensive involving 8,000 mercenaries in March, Washington has promoted the trip of its secretary of state to Managua at this moment. To some observers, this visit turns on a light of hope with a view toward the initiation of a dialogue resulting in formulas to achieve peace on the Central American isthmus.

Above all, the Central American peoples wish peace for their territory, but, whether we like it or not, account must be taken of a dangerous reality in the subregion, which is the presence of thousands of North American soldiers and a feverish militarist race expressed through the introduction of hundreds of tons of armaments, the construction of military bases and runways, and the so-called covert war which the CIA is waging against Nicaragua.

To Nicaragua, Washington's will to negotiate must first be expressed in an end to the counterrevolutionary invasion, which is leaving a wake of destruction and death in this country, in addition to the burden on its economy represented by the military spending stemming from the need to defend its national sovereignty.

It must be stressed that in the last few days the Sandinist Armed Forces have dealt harsh blows to the mercenaries financed and directed by the CIA, inflicting close to 300 casualties on them in the country's northern area. In the Departments of Jinotega and Matagalpa alone, over 250 counterrevolutionaries fell in combat with the Army and the peasant militias. Last Saturday, an attempt to seize the city of Ocotal failed, and the invaders' death toll in that departmental capital and neighboring mountains thus far totals over 20.

U.S. Media Cited

PA042050 Havana International Service in Spanish 1600 GMT 4 Jun 84

[Text] The U.S. NEW YORK TIMES has commented that Shultz' surprise visit to Managua will not change the White House's intention to secure more financial support for the counter-revolutionary bands operating against Nicaragua.

THE WASHINGTON POST said that Shultz' visit to Nicaragua is more a publicity move than the beginning of serious talks, which the Ronald Reagan government has avoided so far. Sergio Ramirez, member of the Nicaraguan Government Junta, has also given his opinion on the visit of the U.S. secretary of state to Managua and on his talks with the Sandinist authorities. Ramirez said that his country is willing to hold a dialogue.

According to Managua reports, the bodies of another 15 counterrevolutionaries have been found near Ocotal, in the country's northern region. They were members of a force composed of 600 elements who on Friday tried to occupy that city, capital of Nueva Segovia Department.

In Bernau, in the GDR, labor leaders from 19 countries stated their rejection of Washington's policy of hostility toward the Nicaraguan people. The labor leaders are taking courses in the Superior School of the German Free Labor Unions in that city, 60 km from Berlin.

RAUL CASTRO CONGRATULATES CAMAGUEY SUGAR WORKERS

FLO41156 Havana Domestic Service in Spanish 1045 GMT 4 Jun 84

[Text] Army General Raul Castro, second secretary of the party Central Committee, has congratulated the workers of the Jesus Suarez Gayol sugar mill complex, located in Santa Cruz del Norte, Camaguey Province, for the successful results of their first sugar harvest. Raul has been closely connected to his modern industrial installation since it was under construction. On a visit he encouraged and gave the construction workers occasion to pledge that it would be completed and in operation by 31 December 1983, on which date it was inaugurated. The message that the FAR minister has sent to the Jesus Suarez Gayol sugar mill complex was read to the workers by Evis Blas Gonzalez, member of the party provincial bureau in Camaguey. In the text, mention is made of 104 percent of qualified recovery [recobrado calificado], 108 percent yield [rendimiento], and other outstanding aspects of their performance. [figures as heard] The Army general expressed his and Commander in Chief Fidel Castro's most fraternal congratulations.

MALMIERCA CONCLUDES AFRICAN-EUROPEAN TOUR

PA032021 Havana International Service in Spanish 1800 GMT 3 Jun 84

[Text] After a tour that took him to nine African and European countries, Cuban Foreign Minister Isidoro Malmierca arrived in Havana last night. (Buraima Campoares), the new Upper Volta ambassador to Cuba, arrived on the same flight. He handed his credentials to Malmierca at the Jose Marti International Airport. Malmierca visited the Congo, Mali, Tanzania, Algeria, the Ivory Coast, France, Italy, Greece, and Sweden, meeting with government officials in each of these countries.

40TH BIRTHDAY OF MAURICE BISHOP NOTED IN HAVANA

PA010433 Havana International Service in Spanish 1800 GMT 29 May 84

[Text] Today is a significant day for the people of Grenada because it marks the 40th anniversary of the birth of Maurice Bishop. I want to express our most sincere gratitude to the Cuban Government and people for their solidarity and support offered to our cause. This statement was made by (Don Rojas), former press secretary of Grenada during a news conference held here in Havana.

(Rojas) referred to his people's present predicament, having lost their independence under the Yankee military occupation, which daily violates human rights. (Rojas) added that his country is being affected by the unemployment of 40 percent of its working population, prostitution, drug addiction, and increased delinquency, all of which were nonexistent in Grenada during the Bishop administration.

(Rojas) referred to the international solidarity with the cause of the people of Grenada and noted that next 25 October, the first anniversary of the Yankee invasion of Grenada, there will be protest rallies at the international level, demanding the withdrawal of the U.S. troops presently occupying the small island in the Caribbean.

In statements to Radio Havana, (Don Rojas) explained that the body of Maurice Bishop was supposedly found by the U.S. occupation forces, but it has not been turned over to his family for fear that the funeral could develop into a popular demonstration clearly showing the people's love for their former top leader.

COMMENTARY ATTACKS U.S. USE OF COSTA RICAN SOIL

PA010428 Havana International Service in Spanish 2310 GMT 30 May 84

["Our America" commentary]

[Excerpts] Commander Daniel Ortega, coordinator of the Junta of the Government of National Reconstruction, has reported a new criminal Washington plan against Nicaragua. This time the plan is aimed at promoting armed actions on the border with Costa Rica to create serious tensions in bilateral relations.

The use of Costa Rican soil to launch attacks on Nicaragua has been increasing. Everyone remembers the attack that approximately 600 counterrevolutionaries launched from Costa Rica, with CIA support, against San Juan del Norte in April and the crushing defeat dealt to them by the Sandinist defense forces. Several acts of self-provocation carried out by the Costa Rican Rural Guard also failed. These actions were coordinated with counterrevolutionary groups to try to justify a U.S. military presence. Amid these artificially created tensions, the United States has not lost a chance to unload weapons and other war materiel in Costa Rica.

For all these reasons, Nicaragua has urged Costa Rica to take a firm stand in the face of U.S. pressures aimed at violating the proclaimed Costa Rican neutrality and warned that country of the danger that the United States might make it another Honduras, with the total loss of its national sovereignty. The Washington plan that Ortega just reported is even more serious because 15 days ago the Nicaraguan and Costa Rican foreign ministers, Miguel D'Escoto and Jose Carlos Gutierrez, respectively, signed an agreement aimed at ending tensions and incidents on their common border and fomenting a climate of trust between the two countries.

Facts again confirm that the U.S. policy in Central America is the main obstacle to peace in the region. And the most serious factor is that Ronald Reagan's steps in Central America are increasingly similar to those taken by Adolf Hitler in the late 30's until he unleashed World War II. Remember the Nazi provocation plan to invade Poland in 1939.

MILITARY INVESTMENTS IN PUERTO RICO NOTED

PA030335 Havana International Service in Spanish 0000 GMT 2 Jun 84

[Text] The following chronicle by Manolo Coz, PRELA correspondent in San Juan, Puerto Rico, deals with military investments the United States will make in Puerto Rico to increase its presence in the Caribbean and Central America.

[Begin Coz recording] The U.S. Defense Department will invest \$49 million solely on military installations aimed at stopping revolutionary activity in Central America. It is surmised from a document dated 8 May issued by the office of U.S. Deputy Secretary of Defense William H. Taft that approximately \$49 million has been assigned to Puerto Rico for bases on Roosevelt Roads, on the island's eastern region; Sabana Seca, in the interior; and Vieques, the municipality that is also an island. The Santiago military camp in the country's south is also included.

These funds are part of a \$200-million budget which the U.S. Defense Department has assigned for its military construction program within the context of, we quote: the U.S. defense policy for the Central American and Caribbean regions.

The localities included in this budget are Panama, Honduras, Puerto Rico, Guantanamo Base in Cuba, and the U.S. Virgin Islands. The main objective of this policy is, a letter attached to this document states, we quote: to stop and reduce, as much as possible, the influence of the Soviet Union and Cuba in the area.

The plans for Puerto Rico include \$36 million for Roosevelt Roads, \$4.9 million for the Santiago camp, \$3.5 for Vieques, and \$1.1 for an important communications base in Sabana Seca. These figures do not include funds assigned to other military projects; they cover strictly that which was assigned for military construction. The other investments break down as follows: \$57.010 million for Guantanamo Base, \$29.7 million for Honduras, and \$51.7 million for various bases established in Panama.

The newspaper CLARIDAD of Puerto Rico recently disclosed that these investments go far beyond defense purposes. The Pentagon plans in Central America and the Caribbean are aimed at achieving a rapid mobilization of its troops in the event of a U.S. intervention in Nicaragua or El Salvador. In Pentagon jargon, the document stated that the new facilities, we quote: will reduce the time required by the United States to promote military assistance when necessary. [end recording]

U.S. SOLDIERS SPREADING DISEASE IN HONDURAS

FL041814 Havana Television Service in Spanish 1700 GMT 4 Jun 84

[Text] Researchers from the National Autonomous University of Honduras have reported that the incidence of venereal disease in Honduras has increased with the presence of U.S. troops. Specialists from the Center of Higher Honduran Studies who visited U.S. and Salvadoran military camps, as well as those of local soldiers, said that the Yankee soldiers are carriers of penicillin-resistant diseases. An increase of these diseases has been registered among residents of the capital, where 3 percent of the sexually active population is infected with genital herpes.

DUARTE ASSUMES PRESIDENCY OF EL SALVADOR

PA022355 Havana International Service in Spanish 0000 GMT 2 Jun 84

[Text] In a ceremony surrounded by a large military display, Jose Napoleon Duarte, a member of the Christian Democratic Party, became the Salvadoran president on Friday.

A large U.S. delegation headed by U.S. Secretary of State George Shultz attended Duarte's inauguration. General Oscar Mejia Victores, chief of the Guatemalan regime, was also there. Also present were Harry Shlaudeman, the special U.S. envoy to Central America, and the foreign ministers of the four Latin American countries that make up the Contadora Group. In a speech given after receiving the presidential sash, Duarte reiterated that he will negotiate with Salvadoran guerrillas only if they put down their arms first.

ARCHBISHOP DEMANDS DUARTE LIFT RESTRICTIONS

PA041325 Havana International Service in Spanish 0000 GMT 4 Jun 84

[Text] San Salvador Archbishop Msgr Arturo Rivera y Damas has demanded that the new government lift the state of siege that is currently in effect in that country. According to him, the state of siege helps intensify the abuse of power. In his usual Sunday homily, the prelate called for the abolishment of other official provisions that leave people defenseless in the face of abuses resulting from economic and political power.

Radio Venceremos, the voice of the Salvadoran guerrillas, has meanwhile announced that the rebels inflicted some 20 casualties on the Army during an attack launched on the El Pacayal Military Communications Center, in San Miguel Department.

According to other reports, in Orlando, Florida, parents of American Churchwoman Jean Donovan, who was killed by Salvadoran military men in 1980, have accused President Ronald Reagan of being the co-perpetrator of this savage crime. The death squads killed our daughter and her three companions, the churchwomen's parents explained just as Reagan was increasing his aid to the genocidal Salvadoran criminals.

CANADA SEEKS EXPLANATION ON ARMS-CARRYING PLANE

PA011820 Havana International Service in Spanish 0000 GMT 1 Jun 84

[Text] It was learned in Montreal that the Canadian Government has requested that the White House provide an explanation about the airplane with Canadian registration numbers which crashed in Costa Rican territory, when it was carrying weapons from the CIA to the counterrevolutionaries who operate against Nicaragua. U.S. officials have not yet replied to the Canadian Government request.

IMF 'DEMANDS,' U.S. AID TO GUATEMALA REPORTED

PA041749 Havana International Service in Spanish 0000 GMT 4 Jun 84

[Text] The dismissal of 400 General Roads Directorate workers in Totonicapan Department, Guatemala, has been described as the beginning of the implementation of the recommendations made by the IMF to Oscar Mejia Victores' regime, says the CERIGUA [Centro Exterior de Reportes Informativos de Guatemala] agency. Last May, the Guatemalan military regime issued Agreement No 379, intended to clean up the national economy and reduce the budget deficit in accordance with IMF demands.

For its part, the ENFOPRESNA news agency has announced that the United States is planning to give \$100 million to Guatemala, \$10 million for military aid. The announcement was made by Paul Taylor, the U.S. Embassy's charge d'affaires in Guatemala. He added that the plan must be approved by Congress once the 1985 fiscal year begins.

NICARAGUAN JUNTA EXTENDS STATE OF EMERGENCY

PA010440 Havana International Service in Spanish 0000 GMT 31 May 84

[Text] The Nicaraguan Government junta has extended for another 90 days the state of emergency, in effect since 15 March 1982, the day after commandos trained by the CIA dynamited and destroyed the bridges over Rio Negro and Rio Ocotal. The decree issued by the junta Wednesday noted that in the past months, particularly since convoking the general elections on 21 February, the U.S. Government has increased its aggressive escalation against Nicaragua. This extension of the state of emergency lasts until 19 July, after which it is expected it will be suspended to facilitate the voter registration period, scheduled for 28 to 31 July.

Meanwhile, in the northern community of Quilali, Interior Minister Tomas Borge announced that the Sandinist revolution had initiated a new global military, ideological, and logistical offensive to defeat the aggressive plans of the U.S. Government. This revolutionary counteroffensive, he stressed, has inflicted serious military blows on the mercenaries who have entered Nicaraguan territory.

In the meantime, in San Jose, Costa Rica, the Democratic Revolutionary Alliance had announced an agreement with the Somozist Nicaraguan Democratic Force to begin joint coordinated actions against the Sandinist revolution.

NICARAGUA'S RAMIREZ CITED ON SHULTZ, ELECTIONS

PA033007 Havana International Service in Spanish 1600 GMT 3 Jun 84

[Text] Nicaraguan Government junta member Sergio Ramirez has stated that the Sandinist revolution reaffirmed its willingness for dialogue with the United States on Friday when it received U.S. Secretary of State George Shultz in Managua. Speaking to journalists at the Port of Corinto, Ramirez said that Shultz' visit to Nicaragua was a U.S. initiative. The foremost U.S. diplomat met with Commander Daniel Ortega, Nicaraguan Government junta coordinator, for 2 hours on Friday.

Ramirez also discussed Friday's counterrevolutionary attack on the city of Ocotal in Nueva Segovia Department. He said that the defeat suffered there by the enemies of the revolution demonstrated the defensive capability in Nicaragua's northern region.

On the 4 November elections, Sergio Ramirez said that they will take place even if the rightist political parties choose not to participate. Should the rightist parties boycott the elections, the elections would then become a plebiscite in support of the FSLN, Ramirez declared.

DEVELOPMENTS IN PASTORA BOMBING CASE NOTED

Nicaraguan Envoy to UN Cited

PA011814 Havana International Service in Spanish 0000 GMT 1 Jun 84

[Text] The Nicaraguan Government has emphatically denied reports attempting to involve it in the recent dynamite attack on counterrevolutionary leader Eden Pastora, who was wounded and is currently under arrest at a clinic in San Jose, Costa Rica. Javier Chamorro, Nicaraguan ambassador to the United Nations, told PRELA that the attack -- aimed at eliminating Pastora -- was provoked by the internal problems prevailing among the counterrevolutionary groups which persist in intending to destroy the Sandinist revolution. He said: We must think about the possibility that the CIA decided to solve these contradictions by eliminating this counterrevolutionary leader.

In San Jose, a spokesman of ARDE, the self-styled Democratic Revolutionary Alliance, publicly accused the CIA of trying to kill Eden Pastora because he opposes ARDE's merger with the Somcrist Nicaraguan Democratic Force, which has its operations base in Honduras.

The attack on Pastora, which took place while he held a press conference, caused the death of 3 persons and wounded 20 others, mostly journalists.

Nicaraguan Junta Member Cited

PA022112 Havana International Service in Spanish 1600 GMT 1 Jun 84

[Text] Nicaraguan junta member Sergio Ramirez Mercado has said that the attack that resulted in 8 dead and 22 wounded during a news conference called by contra leader Eden Pastora was the result of internal disputes between the counterrevolutionary groups. Those terrorist actions carry the mark of the CIA, Sergio Ramirez added in commenting on the attack that took place last Wednesday night in La Penca, on Costa Rica's side of the Costa Rican-Nicaraguan border. Sergio Ramirez spoke to newsmen after receiving members of the Supervision and Prevention Commission formed by Nicaragua, Costa Rica, and the Contadora Group countries. He later said that Costa Rica's Acting President Alberto Fajit told him during a telephone conversation that Costa Rican President Luis Alberto Monge had not blamed the Sandinist government for the attack. Reports to that effect are due to a misunderstanding, Fajit explained. President Monge has spoken of infiltration of the counterrevolutionary groups, and we agree with that, Sergio Ramirez stressed, because it is known that those groups are headed by the CIA.

Pastora Departs for Caracas

PA030008 Havana International Service in Spanish 0000 GMT 2 Jun 84

[Text] Nicaraguan counterrevolutionary leader Eden Pastora, wounded in an attack on Wednesday, left San Jose for Caracas aboard a Venezuelan military plane today. The Costa Rican police adopted extraordinary security measures to transfer Pastora from the Biblical Clinic to Juan Santamaria International Airport, where Pastora was not allowed to talk to newsmen. A few hours before leaving the Biblic Clinic, he reiterated that the CIA had prepared the dynamite attack in which he and another 18 people were wounded; 10 were killed. It was a punishment for not submitting to them and joining Somozist forces, Pastora said.

Costa Rican Deputy Arnoldo Ferreto and Nicaraguan junta member Sergio Ramirez had already said that the CIA was responsible for this terrorist action.

TV Equipment Bag Only Clue

PA031322 Havana International Service in Spanish 0000 GMT 3 Jun 84

[Text] The remnants of what was apparently a bag for television equipment is the only clue that Costa Rica has to the bomb that killed 7 people and wounded about 30 in a counterrevolutionary camp on the Nicaraguan border. These remnants were removed by the doctors who cared for the wounded at the La Penca camp. The doctors gave the material to Costa Rica's intelligence and security authorities. LA NACION, a daily published in San Jose, has reported that the CIA had taken possession of the remnants of the plastic explosive long before the Costa Rican authorities reported the discovery.

OECS SUMMIT MEETING HELD IN MONTSERRAT

Charles Opens Meeting

FL312018 Bridgetown CANA in English 2009 GMT 31 May 84

[Text] Plymouth, Montserrat, May 31 (CANA) -- Heads of government of the seven-member Organisation of Eastern Caribbean States (OECS) began a two-day summit here with outgoing chairperson Eugenia Charles warning that the future of the sub-regional organisation was still delicate. Dominica Prime Minister Charles said: "The problems and opportunities that we have experienced in this past year will set the stage for further successes if we make these the prime centres of focus for action. The future of this organisation is still delicate because economic conditions have not improved satisfactorily if at all, we continue to be faced with difficulties," Charles said. "As small underdeveloped states we do have special economic problems and we all know that politics is not the fundamental source of tension and instability within our region," she added.

Charles called for greater efforts on the part of the entire region and the OECS member states in particular to ensure that the needs of the people were met. "For indeed it was mainly due to the need for the provision of a more effective instrument for the rapid development of our member states and for the preservation of our security that this sub-regional integration movement was perceived and came into being."

The ministers will have a number of issues before them for consideration, one of the main matters being trade within the OECS and the wider Caribbean region. Charles said the OECS must begin as a matter of urgency to analyse and monitor the various trading difficulties which confront the region. "We must be able to develop an action-oriented programme to assist member states in working out solutions with their trading partners when such assistance is needed," she said. Charles said assistance in working out trading arrangements with the private sector in some countries would be useful since regional and international staff were usually well aware of the situations in the countries they serve.

She said that the OECS must also devote some time to investigating the advantages of joint marketing since "we each produce too small a quantity to be viable on our own." "...We need to look closer at having joint trade negotiations and monitoring services for such exports in the extra-regional markets so that we may get the best rewards for our farmers in the market place," she said.

The meeting is being attended by three heads of government -- Miss Charles, St. Lucia's Prime Minister John Compton, and Montserrat's Chief Minister John Osborne. The other countries are Grenada, St Kitts and Nevis, Antigua and Barbuda, and St Vincent and the Grenadines.

Charles, who is handing over chairmanship of the OECS to Montserrat, called for the establishment of a special trust fund subscribed to by donors and operated by the International Monetary Fund (IMF). Charles said such a fund would assist small developing countries "such as ourselves" in long-term financing for budgetary assistance. "I am of the firm opinion that we should in this regional organisation seek to ensure that such a fund is established because this is the method of assistance which would help us find our feet," she added.

She said that although she knew such assistance from the IMF would carry the usual conditionalities "...Speaking from experience, conditionalities do not hurt. It is the lack of finance that hurts."

"We are all in an economic bind and it behoves us to budget our resources with care and wisdom since we do not have access to sufficient funds to cover the costs of all the programmes we would wish the OECS to embark on for the benefit of our citizens," the Dominica prime minister said. "It is therefore important for us to choose our priorities and ensure that we find funding for them," she added.

Does Not Want Leftist Grenada

FL021648 Bridgetown CANA in English 1625 GMT 2 Jun 84

[Text] Plymouth, Montserrat, June 2 (CANA) -- The seven-nation Organisation of Eastern Caribbean States (OECS), which last October secured American military assistance in toppling a leftwing junta in Grenada, says it does not want to see another left-leaning government in that member state again. Speaking at the end of a two-day summit of OECS heads of government here yesterday, the organisation's new chairman, Montserrat Chief Minister John Osborne, stressed, however, that there would be no interference with the democratic process in that island. He said it was generally agreed that the U.S. and Caribbean forces on Grenada would be removed from the island as soon as possible. "There is no question that the OECS will not be happy to have a leftist regime in Grenada again," he said. "We would hope for a government with the similar conservative thinking and type of democratic process that we practice in the rest of the region to be elected."

The interim administration now responsible for the country's affairs following the October 19 military coup, in which Prime Minister Maurice Bishop and several cabinet colleagues were killed, has placed elections before year end high on its agenda. Osborne said the Grenada delegation at the summit had reported that things have returned to normal in the Spice Isle following the U.S.-led invasion six days after the military coup. On the U.S. and Caribbean peace-keeping forces, Osborne said: "I don't think the members of the OECS would wish to continue keeping troops on Grenada as soon as they properly constituted a government (but) I think it will be safe to say that unless that is accomplished the islands will continue to keep their troops there." He added: "Our concern is that we hope a party of people who believe in the type of democracy that we have in the islands would be elected...the (delegation's) report seems to indicate that would happen."

Osborne described the summit as "successful" with the heads of government reaching agreement on all but two of the 30-point agenda. Among the matters dealt with at the fifth meeting of the OECS leaders were the admittance to associate membership of the British Virgin Islands and the performance of the Eastern Caribbean Tourism Association (ECTA). However, the meeting deferred an application of the British colony of Anguilla, which Osborne said "did not come well prepared for the discussions."

Admits British Virgin Islands

FL020108 Bridgetown CANA in English 1812 GMT 1 Jun 84

[Text] Plymouth, Montserrat, June 1 (CANA) -- The Organisation of Eastern Caribbean States (OECS) heads of government summit has approved the British Virgin Islands as an associate member but shelved Anguilla's application for similar status.

Dominica's Prime Minister Eugenia Charles, one of three heads of government who attended the conference which ends today, told reporters Anguilla had agreed in principle to the conditions for admission but some matters still remained to be resolved.

Charles announced that the British Virgin Islands, a British colony, was expected to allow free trade from OECS countries within five years. Officials said this condition had in the past hampered the BVI's membership. Under the OECS Treaty all members, which currently number seven, have to approve a country's membership application.

Charles also announced that Jamaica-born Court of Appeal Judge Robotham had been appointed chief justice of the OECS Supreme Court, with effect from today. Two other judges are shortly to be appointed to the Court of Appeal.

Communique Issued

FL021745 Bridgetown CANA in English 1659 GMT 2 Jun 84

[Text] Plymouth, Montserrat, June 2 (CANA) -- Economic affairs ministers of the seven-nation Organisation of Eastern Caribbean States (OECS) have agreed to erect barriers to protect their industrial products against competition from both regional and extra-regional sources, according to a communique issued here at the end of a two-day summit of OECS leaders. According to the communique, the economic affairs committee meeting preceded the summit of the sub-regional grouping and considered several matters relating to intra-regional trade.

It said they arrived at common positions on problems of access to certain of the wider Caribbean Community (Caricom) markets, foreign exchange budgeting, and area origin eligibility rules in preparation for the special meeting of Caricom trade ministers in Antigua on June 6 and 7. The ministers also agreed that there was considerable scope for increasing trade among OECS member states and took several decisions towards this objective, the communique said, including:

"Actual implementation by member countries of agreed arrangements for protecting the products of OECS industries against competition from both other Caricom and extra-regional products; and

"Increased efforts by all parties concerned to bring about greater awareness on the part of consumers in OECS countries of the importance of encouraging the development of OECS industries."

The OECS ministers said such consumer awareness programmes should also seek to remove consumer prejudices that adversely affect the prospects of OECS industries.

The communique said matters dealing with civil aviation were also considered. These included the planned implementation of a project by the Canadian International Development Agency (CIDA) to provide technical assistance to the Directorate of Civil Aviation, the training of aviation personnel, and the provision of equipment and navigational aids.

The communique said that in respect of the restructuring of the University of the West Indies (UWI), the OECS noted the commitment of the university to the establishment of the Office of University Services, headed by a pro-vice chancellor, and the progress made in this direction. The Secretariat has been instructed to request the UWI to inform ministers of education about the funding arrangements for the office prior to the forthcoming meeting of the university grants committee, the communique said.

ANTIGUA AND BARBUDAGOVERNOR GENERAL DELIVERS THRONE SPEECH

FL312236 Bridgetown CANA in English 2133 GMT 31 May 84

[Excerpt] St Johns, Antigua, May 31 (CANA) -- Governor General Sir Wilfred Jacobs today said Antigua and Barbuda would continue to speak out forcefully for human rights and values and maintain its independent foreign policy.

Giving the traditional throne speech marking the official opening of the new session of Parliament, Sir Wilfred said: "Our geographical size will in no way act as a deterrent to our continued efforts to secure...peace, quality, and freedom among all peoples."

On foreign policy, he said: "This policy is based on the established fact that we foster close relations with countries who adhere to the democratic principles."

The governor general said government recognised the need for closer regional cooperation among Commonwealth Caribbean nations and pledged Antigua and Barbuda's active participation in efforts to achieve this goal.

BARBADOSST JOHN ON ACP-EEC LOME CONVENTION TALKS

FL311208 Bridgetown BARBADOS ADVOCATE in English 24 May 84 p 1

[Text] Barbados yesterday predicted more tough bargaining between the European Community and the 64 African, Caribbean, and Pacific (ACP) countries on a trade and aid pact to replace the second Lome Convention, expiring next February. "It's going to be a long hard fight," Mr Bernard St John, who led the Barbados delegation at the talks in Fiji, said during a news conference. "I believe you will have to fight for every penny."

The third round of ministerial talks earlier this month between the two sides ended with delegates reporting some progress and serious differences. Areas of disagreement included the ACP demand for access of more exports to the Community market and the Community's proposal to ensure better implementation of its assistance schemes, which ACP states feared might lead to interference in their internal affairs.

"The European Economic Community for the first time has given responses to the positions put forward by the ACP, so that a limited amount of progress was made," Mr St John said. "One can say that we know now for certain that the new convention to succeed the existing agreement will contain provisions which are no less favourable than we have at the present moment."

The ACP group made out a case during the Fiji talks for the European nations to extend preferential treatment to more of the developing countries exports. "There is a serious dispute as to whether the existing Rules of Origin provide meaningful access (to the Community) other than for simple processing of raw materials," Mr St John said.

"The Europeans argue that they have no objection to giving us access for all of our products other than those covered by the Common Agricultural Regime, but that we must not be able to use third country raw materials -- what they call providing access through the back door for the Japanese and the American manufacturers."

"We have been able to demonstrate that, because of other preferential trade regimes in the world, the European companies have been able to set up businesses in the African, Caribbean, and Pacific states and take advantage of the liberal trade access provisions provided."

Mr St John said Barbados, Nigeria, Kenya, Mauritius, and Trinidad and Tobago had been given the responsibility for proving the point. (CANA)

CENTRAL BANK ISSUES ANNUAL REPORT ON ECONOMY

FL241906 Bridgetown CANA in English 1834 GMT 24 May 84

[Text] Bridgetown, Barbados, May 24 (CANA) -- Barbados, which is projected to achieve a two percent economic growth this year, will have to pursue a policy of fiscal prudence, says the Central Bank.

In its annual report for 1983, the bank said Barbados was favourably placed in 1984 to benefit from the recovery in the international economy, especially if the private sector could be successfully re-stimulated. However, it said "the extent to which the bank will be able to meet its objectives with respect to the balance of payments and the financing of productive investment will depend largely on government's fiscal stance in 1984."

"This would necessitate tighter monetary policies and might starve the productive sectors of finance. Too heavy a reliance by government on the surplus of the national insurance scheme would also reduce the funds available to the mortgage market for residential construction."

"Fiscal prudence is therefore much needed to sustain the external position, to re-build foreign exchange reserves, and to provide room for manoeuvre for the private sector to expand investment and employment," the report said.

A 97.3 million dollar (1 Bdos dollar; 50 cents U.S.) stand-by arrangement between Barbados and the International Monetary Fund (IMF) to finance balance of payments officially ended in March.

"Real output in Barbados in 1984 is projected to increase by two percent as a result of better performances in agriculture, tourism, and crude oil production," the bank said.

Tourism, Barbados' main foreign exchange earner, recorded an 8.1 percent rise in arrivals last year when expenditure was estimated to have risen by a million dollars over 1983 to 503.2 million dollars. Sugar production this year passed 100,000 tonnes for the first time since 1980. "Non-sugar agriculture is expected to make good gains again this year and crude oil production may reach half of domestic requirements. The continued recovery in tourism will depend primarily on the U.S. market, but the Canadian and European markets should also improve from their depressed 1983 levels," the bank said.

MINISTER REPORTS DROP IN EXPORTS TO CARICOM

FL241630 Bridgetown CANA in English 2237 GMT 23 May 84

[Text] Bridgetown, Barbados, May 23 (CANA) -- Barbados today reported a 5.2 per cent fall in exports to other Caribbean Community (Caricom) during the first three months of this year, against sales for January-March 1983. The reduction, Trade Minister Bernard St John told a news conference, was largely due to lower purchases by oil-rich Trinidad and Tobago and Jamaica.

Barbados first quarter exports to Caricom member countries fetched 36 million dollars in 1983 and 34.1 million dollars (1 Bdos dollar; 50 cents U.S.) this year, St John reported. Exports to Trinidad and Tobago -- Barbados' main Caricom market -- were down by 19.8 per cent. However, St John said, "our performance in other areas in the world has more than wiped out that fall."

The decline in exports was announced against a backdrop of trade problems in the Caribbean Community, triggered by cash flow problems facing some governments and by measures -- including import restrictions -- which some of the 13 nations have introduced to protect their economies.

The cash problem led to the close-down of the Caricom Multilateral Clearing Facility (CMCF), a trade credit arrangement, after it surpassed its credit ceiling of 100 million U.S. dollars. St John said Caricom finance ministers who met in Jamaica last week as governors of the Caribbean Development Bank (CDB) felt a loan should be sought from the international community to get the CMCF re-started.

"The international community can play an important part in helping us to get the Caricom Multilateral Clearing Facility started again," he said. "What the Caricom Multilateral Clearing Facility needs is help, by way of a loan to us collectively or some other device, so as to allow that to function again."

When the CMCF stopped operating in March last year Barbados was owed about 130 million Bdos dollars. Guyana owed the CMCF 98 million U.S. dollars, with Jamaica also lagging in payments. St John said: "The Barbados Government cannot continue in the situation in which when we trade with others that they get payment from us and we are not likely to get payment from them and that is the position with Guyana and Jamaica."

GRENADA

BRATHWAITE TO ATTEND CARICOM, OECS MEETINGS

FL241856 Bridgetown CANA in English 1804 GMT 24 May 84

[Text] Bridgetown, Barbados, May 24 (CANA) -- The chairman of Grenada's interim government Nicholas Brathwaite says he is planning to attend the July summit of Caribbean Community (Caricom) heads of government in the Bahamas. "Once the conference is held, I propose to attend," Brathwaite told the CARIBBEAN NEWS AGENCY (CANA) in an interview today. The invasion of Grenada by U.S.-led troops last October is likely to be a major topic at the summit. The military intervention caused a deep split in the 13-nation community.

Brathwaite will also head the Grenada delegation to a summit meeting of the leaders of the Organisation of Eastern Caribbean States (OECS) taking part in Montserrat at the end of the month.

JAMAICA

STRIKE CLOSES LARGEST ALUMINA REFINERY

FL012234 Bridgetown CANA in English 2212 GMT 1 Jun 84

[By Paget Defreitas]

[Text] Kingston, Jamaica, June 1 (CANA) -- Jamaica's largest alumina refinery, Alumina Partners (Alpart), closed operations today as its 700 hourly-paid employees began a strike to protest delay in reaching agreement on a new wage contract in which workers are seeking a near doubling of current earnings.

"The plant has been shut down and the strike is on as the hourly paid employees walked off the job at 12 o'clock (1700 GMT)," Alpart's public relations manager, Keith Brown, said. "We are not refining any alumina, and no bauxite is being mined, but the 500 salaried staff is continuing clerical and administrative work and maintaining essential services," Brown added. The 1.2 million tonne-a-year plant had been operating at half its capacity.

The Labour Ministry has planned conciliatory meetings with the company and the National Workers Union (NWU), which represents bauxite workers here, for Monday, Tuesday, and Thursday of next week, hoping to break the deadlock and ensure an early resumption.

On Tuesday the union gave Alpart the required 72-hour strike notice as negotiations for the new contract in which the NWU has asked for a 97 per cent wage increase over two years were deadlocked. The company has offered 18.5 per cent. Efforts by government officials failed to produce a compromise.

Alpart, which is owned by the American transnational companies Kaiser, Reynolds, and Anaconda, has said that it will not re-open the plant until a new wage agreement is reached, a position, according to the Labour Ministry, which has also been taken by the union. NWU bauxite negotiator, Lascelles Perry, was unavailable for comment.

Kaiser operates a bauxite mining operation here, which it owns in partnership with the Jamaica Government, while Reynolds is now in the process of pulling out of Jamaica.

Industry analysts say the Alpart negotiations could have an impact on the wage talks with the other companies that also includes the alumina refiners Alcoa and Alcan.

SURVEY: 1983 GROWTH RATE 2D HIGHEST IN DECADE

FL311242 Bonaire Trans World Radio in English 1130 GMT 31 May 84

[Text] A 1983 economic and social survey indicates Jamaica experienced a 1.8 percent growth in its Gross Domestic Product last year. The survey said that both manufacturing and construction experienced growth rates and that it was the second highest growth rate in Jamaica in over a decade. According to the study, unemployment on the island declined from 27.4 percent in 1982 to 26.4 percent in 1983.

FORWARD MARKET IN FOREIGN EXCHANGE SET UP

WA041349 Rome IPS in English 29 May 84

[Text] Kingston, May 29 (IPS) -- The Jamaican Central Bank and commercial banks operating here have concluded arrangements for a forward market in foreign exchange open to importers and exporters who will make purchases in advance under certain agreed terms. An announcement from the Bank of Jamaica, the central bank, yesterday said the system will allow commercial banks to purchase forward entitlements to foreign exchange and sell forward foreign exchange to cover "bona fide transactions."

The Edward Seaga government is battling a chronic shortage of foreign exchange that has dealt a severe blow to its economic recovery program. Negotiations with the International Monetary Fund for a \$180 million standby credit facility to help ease the short-term supply situation have been continued since November last year without agreement.

The administration hopes to reschedule a significant portion of its foreign debt payment which is said to be a major drain on the country's foreign exchange reserves. But rescheduling being sought with a consortium of commercial banks and member countries of the organization for Economic Cooperation and Development (OECD) is dependent on an agreement being reached with the IMF.

The Jamaican foreign exchange rate is now stabilizing around four Jamaican dollars to one U.S. dollar after weeks of an auction system involving bids by commercial banks and other accredited financial institutions. But it appears another rate is to be introduced, with the commercial banks being authorized to set the daily rates determined by them on the forward exchange market.

MONTSERRAT

CHIEF MINISTER SAYS TIME FOR INDEPENDENCE

FL311754 Bridgetown CANA in English 1610 GMT 31 May 84

[Text] Plymouth, Montserrat, May 31 (CANA) -- Montserrat, a British colony, signalled its intention today to seek political independence. Chief Minister John Osborne addressing the heads of government meeting of the Organisation of Eastern Caribbean States (OECS) said "it is time for Montserratians to accept the dignity of managing their own affairs." "Not to do this is to accept that we are lacking in pride and courage and that we have no faith in ourselves," he said.

Montserrat is the only non-independent state within the seven nation OECS and today Osborne took over the chairmanship of the four-year-old organisation from Dominica's Prime Minister Eugenia Charles. Montserrat is a 39.5 square-mile island for which Britain retains responsibility for defence and external affairs. Osbo said that Britain had recently passed an immigration law which divides British citizens into three classes. Montserratians fall into the category of citizens of British dependent territories, which does not confer a right to visit, live, or work in the United Kingdom.

"Gone are the days when Britain could be regarded as a mother country, the winds of change have blown and colonialism has been scattered, it is time for Montserratians to accept the dignity of managing their own affairs," Osborne told the meeting being attended by only four heads of government.

ST CHRISTOPHER-NEVIS

SIMMONDS ANNOUNCES GENERAL ELECTIONS FOR 21 JUNE

FL021159 Bridgetown CANA in English 1153 GMT 2 Jun 84

[Text] Basseterre, St Kitts, June 2 (CANA) -- General elections will be held here on June 21, the first since independence last year, Prime Minister Dr Kennedy Simmonds announced last night. Dr Simmonds spoke in a national radio and television broadcast. He said nomination day for candidates will be June 12.

Dr Simmonds' coalition government of his People's Action Movement and the Nevis Reformation Party held five of the nine seats in the last Parliament. The Labour Party held the other four. A newly formed political group, the Kilsick and Wilkin Monopoly Breakers, will also contest the elections. The poll, for which campaigning had begun three months ago, has been called nearly a year early.

ST LUCIACOMPTON RULES OUT LEFTIST CARIBBEAN TAKEOVERS

FL312220 Bridgetown CANA in English 2117 GMT 31 May 84

[Text] St Johns, Antigua, May 31 (CANA) -- St Lucia's prime minister, John Compton, has ruled out the possibility of leftist groups assuming power in the Commonwealth Caribbean by force. Compton made the statement during a brief stop in Antigua yesterday en route to an Organisation of Eastern Caribbean States, (OECS) heads of government summit which opened in Montserrat today.

He said "the setting up of a regional security force is really the Caribbean telling people that we are accustomed to a certain type of government and we are determined to preserve it. We are going to hang a sign around the region -- beware of the dogs -- so people like mercenaries cannot come in and threaten us or people from inside cannot seize power by organizing a group of 30 or 40 men with guns," the St Lucia prime minister said. He continued, "that's the lesson of Grenada. There is no way in the Caribbean again for the man with the gun."

In October last year, an internal leadership struggle developed in the leftist Maurice Bishop regime in Grenada which resulted in a bloody military coup by a more radical faction. U.S.-led troops invaded Grenada to topple the military government. Eastern Caribbean governments then pushed forward plans for a joint army to protect themselves against revolution or external aggression.

Compton said that political activists in the Caribbean must learn to draft their policies and programmes and sell it to the people who will either elect or reject them. He added that since the invasion of Grenada, the Caribbean has been a more peaceful place and the talk of revolution is not heard of anymore.

Looking ahead at the July Caribbean Community (Caricom) heads of government conference in the Bahamas, Compton said the main thing will be to restore the base of an industrialised Caribbean for the survival of Caricom. "The trade problems has left the OECS as the only coordinated organisation in Caricom, to sit down and work out an industrial development strategy for us to explore extraregional markets," Compton said. He referred to the new import licencing system introduced by Trinidad and Tobago and said it was killing the fundamental concept of Caricom as a free trade area.

TURKS AND CAICOSPNP PARTY RETURNED TO POWER AFTER ELECTION

FL301630 Bridgetown CANA in English 1526 GMT 30 May 84

[Text] Grand Turk, Turks and Caicos, May 30 (CANA) -- The Progressive National Party (PNP) of Chief Minister Norman Saunders was returned to power for a second straight term in general elections in this British colony yesterday. The PNP won eight seats. The opposition People's Democratic Movement (PDM) took the other three, to leave the party composition of the 11-member legislature unchanged. Election officials said today the voter turnout was 87 percent. For the first time a woman, Rosita Butterfield of the PNP, was elected.